

AGREEMENT ON SOCIAL SECURITY BETWEEN THE  
UNITED STATES AND ROMANIA

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

A SOCIAL SECURITY TOTALIZATION AGREEMENT WITH ROMANIA,  
PURSUANT TO 42 U.S.C. 433(e)(1); AUG. 14, 1935, CH. 531, TITLE  
II, SEC. 233(e)(1) (AS AMENDED BY PUBLIC LAW 95-216, SEC.  
317(a)); (91 STAT. 1539)



SEPTEMBER 12, 2024.—Referred to the Committee on Ways and Means  
and ordered to be printed

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U.S. GOVERNMENT PUBLISHING OFFICE



THE WHITE HOUSE,  
Washington, September 12, 2024.

Hon. MIKE JOHNSON,  
*Speaker of the House of Representatives,*  
*Washington, DC.*

DEAR MR. SPEAKER: Pursuant to section 233(e)(1) of the Social Security Act, as amended by the Social Security Amendments of 1977 (Public Law 95–216, 42 U.S.C. 433(e)(1)), I transmit herewith a social security totalization agreement with Romania, titled “Agreement on Social Security between the United States of America and Romania,” and the accompanying legally binding administrative arrangement, titled “Administrative Arrangement between the Competent Authorities of the United States of America and Romania for the Implementation of the Agreement on Social Security between the United States of America and Romania” (collectively the “Agreements”). The Agreements were signed at Bucharest on March 23, 2023.

The Agreements are similar in objective and content to the social security totalization agreements already in force with 30 countries. Such bilateral agreements provide for limited coordination between the United States and foreign social security systems to eliminate dual social security coverage and taxation and to help prevent the lost benefit protection that can occur when workers divide their careers between two countries.

The Agreements contain all provisions mandated by section 233 of the Social Security Act and, pursuant to section 233(c)(4), other provisions which I deem appropriate to carry out the purposes of section 233.

I also transmit for the information of the Congress a report required by section 233(e)(1) of the Social Security Act and prepared by the Social Security Administration on the estimated number of individuals who will be affected by the Agreements and the Agreements’ estimated cost effect. Also included are a summary of the main provisions and an annotated version of the Agreements with descriptions of each article. The Department of State and the Social Security Administration have recommended the Agreements to me.

I commend to the Congress the Agreement on Social Security between the United States of America and Romania and the Administrative Arrangement between the Competent Authorities of the United States of America and Romania for the Implementation of the Agreement on Social Security between the United States of America and Romania.

Sincerely,

JOSEPH R. BIDEN, Jr.

**AGREEMENT ON SOCIAL SECURITY  
BETWEEN  
THE UNITED STATES OF AMERICA AND  
ROMANIA**

The United States of America ("United States") and Romania, hereinafter individually referred to as "Contracting State" or collectively as "Contracting States,"

BEING DESIROUS of regulating the relations between the two States in the field of Social Security, have agreed as follows:

**PART I  
General Provisions**

**Article 1  
Definitions**

1. For the purposes of this Agreement on Social Security between the United States of America and Romania, hereinafter referred to as "Agreement":
  - (a) "National" means,
    - as regards Romania, a person possessing Romanian citizenship in accordance with the Law of Romanian Citizenship, and
    - as regards the United States, a national of the United States as defined in Section 101, Immigration and Nationality Act, as amended;
  - (b) "Laws" means the laws and regulations specified in Article 2 of this Agreement;
  - (c) "Competent Authority" means,
    - as regards Romania, the ministry responsible for the Laws specified in Article 2 of this Agreement, which shall be notified through diplomatic channels, and
    - as regards the United States, the Commissioner of Social Security;
  - (d) "Competent Institution" means,
    - as regards Romania, the institution at which the person has been insured at the time of submitting the claim for Benefits, the institution from which the person is entitled to Benefits or would be entitled to Benefits, or the institution designated by the Competent Authority, and
    - as regards the United States, the Social Security Administration;

- (e) "Period of Coverage" means a period of payment of contributions or a period of earnings from employment or self-employment, as defined or recognized as a period of coverage by the Laws under which such period has been completed, or any similar period insofar as it is recognized by such Laws as equivalent to a period of coverage;
  - (f) "Benefit" means any benefit, pension, or death grant, as appropriate, provided for in the Laws specified in Article 2 of this Agreement;
  - (g) "Liaison Institution" means the institution responsible for ensuring the coordination and exchange of information between the Competent Institutions;
  - (h) "Personal Information" means any data relating to a specific identified or identifiable person, as well as any information that can be used to distinguish or trace an individual's identity; and
  - (i) "Reside" means,
    - as regards Romania, to have a habitual residence, as opposed to a temporary residence or stay, and
    - as regards the United States, the meaning assigned to "residence" or "ordinarily resides" in the applicable Laws.
2. Any term not defined in this Article shall have the meaning assigned to it in the applicable Laws.

**Article 2**  
**Material Scope**

1. For the purposes of this Agreement, the applicable Laws are:
- (a) as regards Romania:
    - (i) the laws governing the pensions and death grants from the public pensions system, and
    - (ii) as regards Part II of this Agreement only, the laws referred to under paragraph 1(a)(i) of this Article and the laws governing health social insurance contributions.
  - (b) as regards the United States, the laws governing the Federal old-age, survivors, and disability insurance program:
    - (i) Title II of the Social Security Act and regulations pertaining thereto, except sections 226, 226A, and 228 of that title, and regulations pertaining to those sections, and

- (ii) Chapters 2 and 21 of the Internal Revenue Code of 1986 and regulations pertaining to those chapters.
2. Unless otherwise provided in this Agreement, the Laws referred to in paragraph 1 of this Article shall not include treaties, other international agreements concluded between one Contracting State and a third State, supranational legislation on Social Security, or laws promulgated for the implementation of such treaties, other international agreements, or supranational legislation on Social Security.
  3. Except as provided in paragraph 4 of this Article, this Agreement shall also apply to laws which amend, supplement, or replace the Laws specified in paragraph 1 of this Article.
  4. This Agreement shall apply to future legislation of a Contracting State which creates new categories of beneficiaries or new benefits under the Laws of that Contracting State unless the Competent Authority of that Contracting State notifies the Competent Authority of the other Contracting State in writing within three months of the date of the official publication of the new legislation that no such extension of this Agreement is intended.

**Article 3**  
**Personal Scope**

This Agreement shall apply to:

- (a) all persons who are or have been subject to the Laws of either or both Contracting States; and
- (b) other persons whose rights derive, in accordance with the applicable Laws, from the persons specified under subparagraph (a) of this Article.

**Article 4**  
**Equality of Treatment**

Unless otherwise provided in this Agreement, persons designated in Article 3 of this Agreement who Reside in the territory of a Contracting State shall receive equal treatment with Nationals of that Contracting State in the application of its Laws regarding eligibility for and the payment of Benefits.

**Article 5**  
**Export of Benefits**

1. Unless otherwise provided in this Agreement, any provision of the Laws of a Contracting State which restricts entitlement to or payment of Benefits solely because a person Resides outside or is absent from the territory of that Contracting State shall not be applicable to a person who Resides in the territory of the other Contracting State.

2. As regards Romania, the provisions of paragraph 1 of this Article shall not apply to special non-contributory cash benefits.

**PART II**  
**Provisions Concerning Applicable Laws**

**Article 6**  
**General Rule**

Except as otherwise provided in this Part, an employed or self-employed person pursuing an activity within the territory of one of the Contracting States shall, with respect to that employment or self-employment, be subject to the Laws of only that Contracting State, regardless of where the person Resides or where the headquarters of the employer is located.

**Article 7**  
**Additional Rules**

1. Where a person who is normally employed in the territory of one Contracting State by an employer that normally carries out substantial activity in that territory and who is sent by that employer to the territory of the other Contracting State for a period not to exceed five years, the person shall be subject to the Laws of only the first Contracting State as if the person were employed in the territory of the first Contracting State.
2. For purposes of applying paragraph 1 of this Article in the case of an employee who is sent from the territory of the United States by an employer in that territory to an affiliated company in the territory of Romania, the employer and the affiliated company of the employer shall be considered one and the same, provided that the employment would have been covered under the Laws of the United States absent this Agreement.
3. Paragraphs 1 and 2 of this Article shall also apply where a person who has been sent by his or her employer from the territory of a Contracting State to the territory of a third State, and who is compulsorily covered under the Laws of that Contracting State while employed in the territory of the third State, is subsequently sent from the territory of the third State to the territory of the other Contracting State by that employer.
4. Where a person who is normally self-employed in the territory of one Contracting State temporarily relocates to the territory of the other Contracting State, he or she shall be subject to the Laws of only the first Contracting State, provided that the first Contracting State determines that he or she will pursue similar self-employment activity and that the period of self-employment activity in the territory of the other Contracting State is not to exceed five years.
5. (a) A person who is employed as an officer or member of a crew on a vessel which flies the flag of one Contracting State and who would be covered under the Laws of both Contracting States shall be subject to the Laws of

only the Contracting State whose flag the vessel flies. For purposes of the preceding sentence, a vessel which flies the flag of the United States is one defined as an American vessel under the Laws of the United States.

- (b) Traveling employees of air transportation companies who perform work in the territories of both Contracting States and who would otherwise be covered under the Laws of both Contracting States shall, with respect to that work, be subject to the Laws of only the Contracting State in the territory of which the company has its headquarters. However, if such employees Reside in the territory of the other Contracting State, they shall be subject to the Laws of only that Contracting State.
6. (a) This Agreement shall not affect the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.
- (b) Nationals of one of the Contracting States who are employed by the Government of that Contracting State in the territory of the other Contracting State but who are not exempt from the Laws of the other Contracting State by virtue of the Conventions mentioned in subparagraph (a) of this paragraph shall be subject to the Laws of only the first Contracting State. For the purpose of this paragraph, employment by the Government of a Contracting State also includes employment by an instrumentality thereof.
7. The Competent Authorities of the two Contracting States or the institutions designated by them may agree to grant exceptions to the provisions of this Part with respect to a person or category of persons, provided that the person or persons are subject to the Laws of one of the Contracting States.

### PART III Provisions on Benefits

#### Article 8 Benefits under the Laws of the United States

1. Where a person has completed at least six quarters of coverage under the Laws of the United States, but does not have sufficient Periods of Coverage to satisfy the requirements for entitlement to Benefits under the Laws of the United States, the Competent Institution of the United States shall take into account, for the purpose of establishing entitlement to Benefits under this Article, Periods of Coverage which are credited under the Laws of Romania and which do not coincide with Periods of Coverage already credited under the Laws of the United States.
2. In determining eligibility for Benefits under paragraph 1 of this Article, the Competent Institution of the United States shall credit one quarter of coverage for every three months of coverage certified by the Competent Institution of Romania; however, no quarter of coverage shall be credited for any calendar quarter already credited as a quarter of coverage under the Laws of the United States. The total number of quarters of coverage to be credited for a year shall not exceed four. The

Competent Institution of the United States shall not take into account Periods of Coverage that occurred prior to the earliest date for which Periods of Coverage may be credited under its Laws, nor will the Competent Institution of the United States take into account any Periods of Coverage that are not based on wages or self-employment income.

3. Where entitlement to a Benefit under the Laws of the United States is established according to the provisions of paragraph 1 of this Article, the Competent Institution of the United States shall compute a pro rata Primary Insurance Amount in accordance with the Laws of the United States based on:
  - (a) the person's average earnings credited exclusively under the Laws of the United States; and
  - (b) the ratio of the duration of the person's Periods of Coverage completed under the Laws of the United States to the duration of a coverage lifetime as determined in accordance with the Laws of the United States.

Benefits payable under the Laws of the United States shall be based on the pro rata Primary Insurance Amount.

4. Entitlement to a Benefit under the Laws of the United States that results from paragraph 1 of this Article shall terminate with the acquisition of sufficient Periods of Coverage under the Laws of the United States to establish entitlement to an equal or higher Benefit without the need to invoke paragraph 1 of this Article.

#### Article 9

##### **Determination of Benefits under the Laws of Romania without the Aggregation of Periods of Coverage**

If a person fulfills the conditions necessary for entitlement to a Benefit in accordance with the Laws of Romania without taking into account Periods of Coverage completed under the Laws of the United States, the Competent Institution of Romania shall calculate the Benefits only in accordance with Periods of Coverage completed under the Laws of Romania.

#### Article 10

##### **Aggregation of the Periods of Coverage by the Competent Institution of Romania**

1. If a person does not fulfill the conditions necessary for entitlement to a Benefit in accordance with the Laws of Romania without taking into account Periods of Coverage completed under the Laws of the United States, and entitlement to Benefits under the Laws of Romania is conditional upon the completion of a certain Period of Coverage, the Competent Institution of Romania shall take into account, to the extent necessary, Periods of Coverage completed under the Laws of the United States, insofar as such Periods of Coverage do not overlap with Periods of Coverage already credited under the Laws of Romania, as if they were periods completed under the Laws of Romania.

2. In determining eligibility for Benefits under paragraph 1 of this Article, the Competent Institution of Romania shall take into consideration three months of coverage for every quarter of coverage certified by the Competent Institution of the United States. The total number of months of coverage to be taken into consideration for a year shall not exceed twelve.
3. Where the Laws of Romania provide that the period in which a claimant receives a Benefit is reckonable in determining entitlement to a different Benefit, the Competent Institution of Romania shall take into account for this purpose any periods during which the person received a Benefit under the Laws of the United States.

#### **Article 11**

##### **Award of Benefits under the Laws of Romania**

1. Where a person has been subject to the Laws of both Contracting States, the Competent Institution of Romania shall determine such person's entitlement to Benefits in accordance with the Laws of Romania and, where appropriate, in accordance with the provisions of Article 10 of this Agreement.
2. For purposes of applying paragraph 1 of this Article, the Competent Institution of Romania calculates Benefits as follows:
  - (a) the theoretical amount of the Benefit shall be calculated as if all Periods of Coverage were completed under the Laws of Romania; and
  - (b) the actual amount of the Benefit to be granted to the person shall be calculated based on the theoretical amount calculated according to the provisions of subparagraph (a) of this paragraph, and in proportion to the ratio between the total duration of the Periods of Coverage completed before the contingency arose under the Laws of Romania and the total duration of the Periods of Coverage completed before the contingency arose under the Laws of both Contracting States.
3. If the amount of the Benefit is determined taking into account the number of the beneficiaries, the Competent Institution of Romania also takes into account the beneficiaries who Reside in the territory of the United States.
4. If a Benefit is calculated based on earnings, due contributions, or paid contributions during a certain period, the Competent Institution of Romania shall take into consideration the earnings, due contributions, or paid contributions exclusively for the Periods of Coverage accomplished according to the Laws of Romania.

**Article 12**  
**Romanian Period of Coverage of Less Than One Year**

Notwithstanding the provisions of Article 10 of this Agreement, where the total duration of the Periods of Coverage completed under the Laws of Romania is less than one year and where, on the basis of such Periods of Coverage only, no right is acquired under the Laws of Romania, the Competent Institution of Romania shall not award Benefits based on such Periods of Coverage.

**Article 13**  
**Consideration of Periods of Coverage in a Third State by the Competent Institution of Romania**

If, after applying the provisions of Article 10, a person fails to fulfill the conditions for acquiring a right to a Benefit, the Competent Institution of Romania shall take into account periods of coverage completed under the laws of a third State with which both Contracting States have concluded social security agreements which provide for the aggregation of Periods of Coverage.

**Article 14**  
**Assignment of Periods of Coverage**

Where it is not possible to determine the time in the calendar year during which a specific Period of Coverage was completed under the Laws of a Contracting State, the other Contracting State will presume that the Period of Coverage does not coincide with a Period of Coverage completed under its Laws.

**Article 15**  
**Death Grant**

A death grant or a lump-sum death payment shall be exclusively awarded according to the Laws of each Contracting State and this Agreement.

**PART IV**  
**Miscellaneous Provisions**

**Article 16**  
**Administrative Measures and Cooperation**

The Competent Authorities of the two Contracting States shall:

- (a) conclude an Administrative Arrangement for the implementation of this Agreement and designate Liaison Institutions;
- (b) communicate to each other information concerning the measures that have been taken or will be taken for the application of this Agreement; and

- (c) communicate to each other, as soon as possible, information concerning all changes in their respective Laws which may affect the application of this Agreement.

**Article 17**  
**Mutual Assistance**

The Competent Authorities, the Liaison Institutions, and the Competent Institutions, within the scope of their respective competencies, shall assist each other in implementing this Agreement. This assistance shall be free of charge, subject to exceptions provided for by the Administrative Arrangement and by Article 18 of this Agreement.

**Article 18**  
**Medical Examinations**

Medical examinations of persons in the territory of one of the Contracting States which are required under the Laws of the other Contracting State shall be arranged by the Competent Institution of the first Contracting State upon the request and at the expense of the requesting Competent Institution. If medical examinations are needed for the application of the Laws of both Contracting States, they shall be arranged through and at the expense of the Competent Institution where the person Resides.

**Article 19**  
**Confidentiality of Exchanged Personal Information**

1. Unless otherwise required by the national statutes of a Contracting State, Personal Information transmitted in accordance with this Agreement to one Contracting State by the other Contracting State shall be used exclusively for purposes of implementing this Agreement and the applicable Laws. The receiving Contracting State's national statutes for the protection of privacy and confidentiality of Personal Information and the provisions of this Agreement shall govern such use.
2. The Competent Authorities shall inform each other about all amendments to their national statutes regarding the protection of privacy and confidentiality of Personal Information that affect the transmission of Personal Information.
3. The Liaison Institution transmitting Personal Information pursuant to this Agreement shall take all reasonable steps to ensure that transmitted Personal Information is accurate and does not exceed the purpose for which the Personal Information is collected and processed. In accordance with their respective national statutes, the receiving institution shall correct or delete any inaccurate or excessive Personal Information transmitted under this Agreement, and immediately notify the other Contracting State's institution of such correction. This shall not limit a person's right to request such correction or deletion of his or her Personal Information directly from the institutions.
4. The transmitting and the receiving Liaison Institution shall effectively protect Personal Information against unauthorized or illegal access, alteration, or disclosure.

**Article 20**  
**Confidentiality of Exchanged Employers' Information**

Unless otherwise required by the national statutes of a Contracting State, employers' information transmitted between Contracting States in accordance with this Agreement shall be used exclusively for purposes of implementing this Agreement and the applicable Laws. The receiving Contracting State's national statutes for the protection and confidentiality of employers' information and the provisions of this Agreement shall govern such use.

**Article 21**  
**Documents**

1. Where the Laws of a Contracting State provide that any document which is submitted to the Liaison Institution of that Contracting State shall be exempted, wholly or partly, from fees or charges, including consular and administrative fees, the exemption shall also apply to corresponding documents which are submitted to the Liaison Institution of the other Contracting State in the application of this Agreement.
2. Documents presented for purposes of this Agreement shall be exempted from requirements for authentication by diplomatic or consular authorities.
3. Copies of documents certified as true and exact copies by a Competent Institution of one Contracting State shall be accepted as true and exact copies by a Competent Institution of the other Contracting State, without further certification. The Competent Institution of each Contracting State shall make the final decision on the probative value of the evidence submitted to it from whatever source.

**Article 22**  
**Correspondence and Language**

1. For the purposes of applying this Agreement, the Competent Authorities and Liaison Institutions of the Contracting States may correspond in Romanian or English directly with each other and with any person, wherever the person may Reside.
2. An application or document may not be rejected solely because it is in the language of the other Contracting State.

**Article 23**  
**Applications**

1. The date that a written claim for a Benefit is submitted under the Laws of a Contracting State shall be considered to be the date that a claim for a corresponding Benefit is submitted under the Laws of the other Contracting State, provided that the claimant, at the time of application:
  - (a) requests that it be considered a claim under the Laws of the other Contracting State; or

- (b) provides information indicating that Periods of Coverage have been completed under the Laws of the other Contracting State and has not explicitly requested that the claim be restricted to Benefits under the Laws of the first Contracting State.
2. The provisions of Part III of this Agreement shall apply only to Benefits for which a claim is filed on or after the date on which this Agreement enters into force.

**Article 24**  
**Appeals and Time Limits**

- 1. A written appeal of a determination made by a Competent Institution of one Contracting State may be validly filed with a Competent Institution of either Contracting State. The appeal shall be decided according to the procedure and Laws of the Contracting State whose decision is being appealed.
- 2. Any claim, notice, or written appeal which, under the Laws of one Contracting State, must have been filed within a prescribed period with a Competent Institution of that Contracting State, but which is instead filed within the same period with a Competent Institution of the other Contracting State, shall be considered to have been filed on time.

**Article 25**  
**Transmittal of Claims, Notices, and Appeals**

In any case to which the provisions of Article 23 or Article 24 of this Agreement apply, the Competent Institution to which the claim, notice, or written appeal has been submitted shall indicate the date of receipt on the document and transmit it without delay to the Liaison Institution of the other Contracting State.

**Article 26**  
**Currency**

- 1. Payments under this Agreement may be made in the currency of the Contracting State making the payments.
- 2. In case provisions designed to restrict the exchange or export of currencies are introduced by either Contracting State, both Contracting States shall immediately take measures necessary to ensure the transfer of sums owed under this Agreement.

**Article 27**  
**Resolution of Disputes**

- 1. Any dispute regarding the interpretation or application of this Agreement shall, if possible, be resolved by consultations between the Competent Authorities.

2. If the dispute is not resolved by consultations between the Competent Authorities, it shall be submitted to be resolved by consultations between the Contracting States through diplomatic channels.

**PART V**  
**Transitional and Final Provisions**

**Article 28**  
**Transitional Provisions**

1. This Agreement shall not establish any right to a Benefit for any period before the date of entry into force of this Agreement, or to a lump-sum death payment if the person died before the entry into force of this Agreement.
2. Except as otherwise provided in this Agreement, in determining the right to Benefits under this Agreement, consideration shall be given to Periods of Coverage under the Laws of both Contracting States and other relevant events that occurred before the entry into force of this Agreement.
3. In applying paragraphs 1, 2, 3, 4, or 7 of Article 7 of this Agreement in the case of persons who were sent to work in the territory of a Contracting State prior to the date of entry into force of this Agreement, the period of employment or self-employment referred to in those paragraphs shall be considered to begin on the date of entry into force of this Agreement.
4. Decisions concerning entitlement to Benefits made before the entry into force of this Agreement shall not affect rights arising under it.
5. The application of this Agreement shall not result in any reduction in the amount of a Benefit to which entitlement was established prior to its entry into force.

**Article 29**  
**Duration and Termination**

1. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which written notice of its termination is given by one of the Contracting States to the other Contracting State through diplomatic channels.
2. If this Agreement is terminated, rights regarding entitlement to or payment of Benefits acquired under it shall be retained. Notwithstanding such termination, the provisions of this Agreement shall continue to apply to any claim for Benefits submitted prior to termination. The Contracting States shall consult regarding other rights in the process of being acquired.

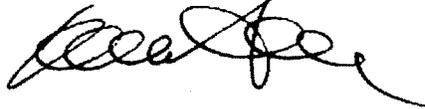
**Article 30**  
**Entry into Force**

This Agreement shall enter into force on the first day of the fourth month following the date of the last note in which the Contracting States notify each other, through diplomatic channels, of the completion of their respective internal procedures necessary for the entry into force of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Agreement.

DONE at Bucharest, on the 23<sup>rd</sup> of March, 2023, in duplicate, in the English and Romanian languages, both texts being equally authentic.

FOR THE UNITED STATES OF AMERICA :



FOR ROMANIA:



**ADMINISTRATIVE ARRANGEMENT  
BETWEEN THE COMPETENT AUTHORITIES OF  
THE UNITED STATES OF AMERICA AND ROMANIA  
FOR THE IMPLEMENTATION OF  
THE AGREEMENT ON SOCIAL SECURITY  
BETWEEN THE UNITED STATES OF AMERICA AND  
ROMANIA**

The Competent Authority of the United States of America ("United States") and  
the Competent Authority of Romania,

In conformity with Article 16 (a) of the Agreement on Social Security between the  
United States of America and Romania, signed at Bucharest on the 23<sup>rd</sup> of March, 2023,  
hereinafter referred to as the "Agreement," have agreed as follows:

**CHAPTER I  
General Provisions**

**Article 1  
Definitions**

Where terms defined in the Agreement are used in this Administrative Arrangement, they  
shall have the same meaning as they have in the Agreement. Any terms not defined in the  
Agreement shall have the meaning assigned to them in the applicable Laws.

**Article 2  
Liaison and Competent Institutions**

1. The Liaison Institutions defined in Article 1.1(g) of the Agreement and referred to in  
Article 16 (a) of the Agreement shall be:
  - (a) for Romania, the National House of Public Pensions; and
  - (b) for the United States, the Social Security Administration.
2. For Romania, the Competent Institution referred to in Article 1.1(d) of the Agreement  
shall be:
  - (a) the National House of Public Pensions, for determining the applicable Laws;  
and
  - (b) territorial houses of pensions, for granting the Benefits.
3. The Liaison Institutions designated in paragraph 1 of this Article shall decide upon the  
joint procedures, methods, and forms necessary for the implementation of the  
Agreement and this Administrative Arrangement.

4. The Competent Authorities shall notify each other without delay, in writing, of any changes in the names of the Liaison Institutions or Competent Institutions without the need to modify this Administrative Arrangement.

**CHAPTER II**  
**Provisions on Coverage**

**Article 3**  
**Certificates of Coverage**

1. Where a person, who would be dually covered absent the Agreement, is subject exclusively to the Laws of one Contracting State in accordance with any of the provisions of Article 6 or 7 of the Agreement, the Competent Institution of that Contracting State, upon request of the interested employee, employer, or self-employed person, shall issue a certificate stating that the employee or self-employed person is subject to those Laws and indicating the duration for which the certificate shall be valid. This certificate shall be evidence that the employee or self-employed person is exempt from the Laws on compulsory coverage of the other Contracting State.
2. The certificate referred to in paragraph 1 of this Article shall be issued by the Competent Institution.
3. The Competent Institution of a Contracting State that issues a certificate referred to in paragraph 1 of this Article shall furnish a copy of the certificate or mutually decided upon information from the certificate to the Competent Institution of the other Contracting State.
4. The person to whom a certificate attesting the applicable Laws has been issued by one Contracting State should keep the certificate during the activity performed in the territory of the other Contracting State, in order to present it, if necessary, to the authorities of the latter Contracting State.
5. For the implementation of paragraph 7 of Article 7 of the Agreement, the Competent Institution of the Contracting State whose Laws are to be applied shall request the approval of the Competent Institution of the other Contracting State. Upon receipt of the approval, the Competent Institution whose Laws continue to apply shall issue the certificate.

**CHAPTER III**  
**Provisions on Benefits**

**Article 4**  
**Processing of Claims for Benefits**

1. Claims for Benefits under the Agreement shall be submitted on mutually decided forms.

2. If a Competent Institution of one Contracting State receives a claim for a Benefit under the Laws of the other Contracting State, it shall, without delay, send the claim to the Liaison Institution of the other Contracting State, indicating the date on which the claim was received.
3. Along with any claim, the Liaison Institution of one Contracting State shall also transmit to the Liaison Institution of the other Contracting State any documentation, evidence, and other information in its possession which may be necessary for the Competent Institution of the other Contracting State to establish the claimant's eligibility for a Benefit, including documents attesting Periods of Coverage completed by the claimant.
4. The information contained in the claim regarding a person shall be verified by the transmitting Liaison Institution, which shall confirm that the information is corroborated by documentary evidence; the transmission of the form so verified shall exempt the Liaison Institution from sending the supporting documents. The type of information to which this paragraph applies shall be mutually decided upon by the Liaison Institutions.
5. The Liaison Institution of one Contracting State shall, upon request, provide to the Liaison Institution of the other Contracting State any available information, evidence, and documentation in its possession concerning a claim or a beneficiary.

**Article 5**  
**Payment of Benefits**

1. The Competent Institution of either Contracting State shall pay Benefits directly to the beneficiary or a person entitled to receive such Benefits on behalf of a beneficiary under the national statutes of the Contracting State making the payments, regardless of the Contracting State where the person Resides.
2. The Competent Institution of each Contracting State shall determine the procedure for exporting Benefits in accordance with its own national statutes and the Agreement.
3. If the Competent Institution of a Contracting State requests evidence that a beneficiary is still alive, and that evidence is not presented within the required time provided for in the Laws of that Contracting State, that Competent Institution may suspend payment of the Benefit until the submission of such evidence.

**CHAPTER IV**  
**Miscellaneous Provisions**

**Article 6**  
**Administrative Cooperation**

1. In accordance with measures mentioned in paragraph 3 of Article 2 of this Administrative Arrangement, the Liaison Institution of one Contracting State shall, upon request by the Liaison Institution of the other Contracting State, furnish

available information in its possession relating to the claim of any specified individual for the purpose of implementing the Agreement.

2. The Liaison Institutions may consult and decide on measures to facilitate the implementation of the Agreement and this Administrative Arrangement, including the electronic exchange of data.

**Article 7**  
**Transmission of Statistical Data**

The Liaison Institutions shall exchange statistics on the number of certificates issued under Article 3 of this Administrative Arrangement and on the payments made to beneficiaries under the Agreement. These statistics shall be furnished in a manner to be decided upon by the Liaison Institutions.

**Article 8**  
**Reimbursement of Expenses**

1. The Liaison Institutions shall provide administrative assistance requested under Article 17 of the Agreement without charge if the expenses incurred fall within regular personnel and operating costs. For all other cases, the Liaison Institutions may decide on reimbursement.
2. Upon request, the Liaison Institution of either Contracting State shall furnish without cost and without delay to the Liaison Institution of the other Contracting State any medical information and documentation in its possession relevant to the disability of the claimant or beneficiary.
3. The Competent Institution of one Contracting State shall reimburse amounts owed under paragraph 1 of this Article or Article 18 of the Agreement upon presentation of a statement of expenses by the Competent Institution of the other Contracting State.

**Article 9**  
**Entry into Force**

This Administrative Arrangement shall enter into force on the date of entry into force of the Agreement and remain in force as long as the Agreement is in force.

DONE at Bucharest, on the 23<sup>rd</sup> of March, 2023, in duplicate in the English and Romanian languages, both texts being equally authentic.

FOR THE COMPETENT  
AUTHORITY OF  
THE UNITED STATES OF AMERICA:



FOR THE COMPETENT  
AUTHORITY OF ROMANIA:





## MEMORANDUM

Date: October 1, 2021 Refer To: TCA

To: Stephen C. Goss, ASA, MAAA  
Chief Actuary

From: Chris Chaplain, ASA /s/  
Supervisory Actuary

Nettie Barrick /s/  
Actuary

Subject: Estimated Effects of a Potential Totalization Agreement between Romania and the United States—**INFORMATION**

This memorandum and the attached tables present estimates of the effects of implementing a potential totalization agreement with Romania assuming an effective date of January 1, 2024.

Table 1 shows the estimated net additional program costs to the Social Security systems of the United States (OASDI) and Romania for fiscal years 2024 through 2030 assuming implementation of the potential totalization agreement. In each case, the net additional program cost arises under the respective system due to: (1) benefits payable because of the agreement; and (2) tax contributions eliminated for temporary foreign workers under the agreement.

The first three rows of Table 2 show estimates of the numbers of persons (as of mid-year) who would receive "totalized" benefits from each system. The fourth row of the table shows the number of residents of Romania who are citizens of a third country or Romanian citizens living outside the U.S. who would be affected by removing the 5-year U.S. residency requirement for survivor or dependent benefits. The last two rows of the table show estimates of the numbers of temporary foreign workers in the respective countries who would be exempt from taxation by the local Social Security system under a totalization agreement. Under the agreement, U.S. workers working for a U.S. firm in Romania for a period expected to last 5 years or less would pay Social Security taxes only to the United States. Romanian workers working for a Romanian firm in the U.S. for a period expected to last 5 years or less would pay Social Security taxes only to the Romanian system. We base estimates shown in the tables on the intermediate set of assumptions of the 2021 OASDI Trustees Report. The exchange rate used in these estimates is 4.214689 RON (Romanian new leu) per U.S. dollar (1 RON = \$0.2372654), the exchange rate as of August 19, 2021. To provide a frame of reference, the average exchange rate over the past 5 years is about 4.1151 RON per U.S. dollar, with a low of about 3.7190 RON per U.S. dollar and a high of about 4.5302 RON per U.S. dollar.

These estimates are subject to much uncertainty. Many of the estimates are based on limited data for Romania and the assumption that certain relationships that apply on average for other countries where totalization agreements already exist will apply for Romania as well.

#### Numbers of Totalized Beneficiaries

To estimate the numbers of totalized beneficiaries under the U.S. Social Security system resulting from an agreement with Romania, we use two data sources for 22 of the existing agreements with other countries in a regression analysis.<sup>1</sup> From Census Bureau files, we estimate immigration and emigration. From counts of nonimmigrant visas issued by U.S. Foreign Service posts in each country to persons traveling to the U.S., over a 5-year period roughly 30 years ago when 2024-2030 retirees potentially receiving benefits under the totalization agreement were in their prime working years, we estimate the numbers of entering temporary workers. This analysis yields an estimate of about 500 totalized beneficiaries under the U.S. Social Security system at the end of the 5<sup>th</sup> year of the potential agreement with Romania. For 11 of these existing-agreement countries, the predicted number of beneficiaries from the regression is higher than the actual number at the end of 5 years, by a median value of about 112 percent of the actual number. For 11 of these existing-agreement countries, the predicted number of beneficiaries from the regression is lower than the actual number, by a median value of about 29 percent of the actual number. Therefore, the number of OASDI beneficiaries at the end of the 5<sup>th</sup> year of implementation would be: (1) about 200, if the median relationship for countries with fewer beneficiaries than predicted by the regression analysis applies to Romania; and (2) about 700, if the median relationship for countries with more beneficiaries than predicted by the regression applies to Romania.

To estimate the number of totalized Romanian beneficiaries under the agreement, we use Census Bureau immigration data to make an initial estimate of the number of beneficiaries who will receive totalized benefits under the Romanian system. We then adjust this estimate based on a comparison of the number of beneficiaries under the U.S. system estimated using the same data, and the regression estimate for the U.S. system described in the previous paragraph.

Totalization agreements provide OASDI benefits mainly to three groups. The first group is Romanian non-immigrants (temporary visa holders) who work in the U.S. for less than 10 years. These workers would have coverage under the U.S. Social Security system (unless they work for a Romanian firm in the U.S. for 5 years or less after a totalization agreement becomes effective) and may be eligible for U.S. totalized benefits when their work in Romania is also considered. The second group is lawful immigrants (generally permanent) from Romania to the U.S. who work in the U.S. for less than 10 years, frequently because they immigrate later in their working careers. The third group is emigrants from the U.S. to Romania (Romanian-born or U.S.-born) who worked in the U.S. for less than 10 years, frequently because they emigrated relatively early in their careers.

<sup>1</sup> We excluded 8 totalization agreement countries from the analysis—Hungary, Brazil, Uruguay, Slovenia, and Iceland because the agreements have not been in effect long enough for us to have five full years of data available; South Korea because work before 1986 in South Korea would not be counted as coverage in determining eligibility for totalized benefits; Luxembourg because of lack of data; and Canada because it is a border country with emigrant and immigrant patterns that would likely vary widely from those of Romania.

A totalization agreement between Romania and the United States would preclude OASDI disability benefits for Romanian workers employed by a Romanian employer in the U.S. for 5 years or less who become disabled while working in the U.S. or shortly thereafter. However, temporary workers from Romania are unlikely to work long enough to qualify for U.S. disability benefits (generally at least 5 years) and are expected to be relatively healthy at the time they come to the U.S. to work. Therefore, we assume that reductions in OASDI disability benefits due to eliminating double taxation under a totalization agreement between Romania and the United States would be minimal. Similarly, we assume the reductions in disability benefits under the Romanian system would be very small, relative to removing taxation to the Romanian system for temporary U.S. workers in Romania.

#### 5-Year Residency Requirement

In addition to estimates of the number of persons who would receive totalized OASDI benefits, we also estimate the number of non-U.S. citizen dependent or survivor beneficiaries who either are Romanian citizens living outside the U.S. or Romanian residents and who do not meet the 5-year U.S. residency requirement for receipt of Social Security benefits. These individuals would receive OASDI benefits under a totalization agreement because the residency requirement does not apply to the potential Romanian agreement.

#### Effects Related to Other U.S. Social Insurance Programs

The principal financial effects of a totalization agreement apply to the Social Security programs of the countries involved. Totalization agreements do not cover Medicare benefits. Thus, individuals cannot use credits for work in Romania to establish entitlement under the U.S. Medicare program. However, the tax side of the U.S. Medicare program would be affected because of the removal of double taxation for Romanian workers who temporarily work in the U.S. for a Romanian firm. We do not expect corresponding reduced Medicare outlays, because attainment of Medicare entitlement by these workers is highly unlikely under the current (no totalization) rules. Medicare eligibility is largely restricted to individuals who either: (1) are at least age 65 and eligible for U.S. Social Security benefits; or (2) were entitled to U.S. Social Security disability benefits (as a disabled worker, disabled widow(er), or disabled adult child) for at least 24 months. Furthermore, Medicare reimbursement is generally restricted to services provided in the U.S. Under the current (no totalization) rules, it is unlikely that temporary workers from Romania would (a) work enough to qualify for Medicare and (b) live in the U.S. when they might avail themselves of Medicare services; therefore, we believe a totalization agreement between Romania and the United States would reduce Medicare benefits very minimally.

By law, totalization agreements do not affect payroll taxes paid for work injury (workers' compensation) and unemployment programs administered by the United States. Therefore, Romanian temporary workers employed by Romanian firms in the U.S. and their employers would still be required to pay any applicable workers' compensation and unemployment payroll taxes. These programs generally operate at the state, and not the federal, level.

#### Effects Related to Other Romanian Social Insurance Programs

Under the potential totalization agreement, the Romanian system would no longer require U.S. temporary workers in Romania to pay into Romania's national health insurance system. The reduction in contributions to Romania's national health insurance system averages about \$2.3 million per year from fiscal year (FY) 2025, the first full fiscal year of the agreement, through FY 2030. These estimates assume the current contribution rate of 10.0% by the employee continues through this period. By eliminating contributions to the Romanian national health insurance system for these temporary U.S. workers in Romania, the potential totalization agreement would result in these workers no longer being eligible for services under that system. These foregone health insurance services represent a savings to the Romanian system.

The value of foregone national *health insurance* services for U.S. temporary workers in Romania is extremely difficult to estimate but is expected to be small. It is very likely that U.S. temporary workers in Romania will be relatively healthy and will not need much in the way of health services. Due to the assumed healthiness of the U.S. temporary worker population, the propensity to use health providers outside the Romanian system, and the benefits paid by U.S. employers, we estimate, very roughly, that the value of benefits currently provided to U.S. workers by the Romanian national health insurance system is about one-tenth of the amount of their contributions to that system. Table 1 shows the estimates of net costs to the Romanian health insurance system, are about \$2.1 million per year in FY 2025-2030—nearly 2 times the estimated net cost to the U.S. Medicare system for those years.

Employer payroll tax contributions which fund Romanian sickness, work injury, and unemployment benefits will not be covered by the totalization agreement with Romania. Under the totalization agreement, U.S. employers of U.S. employees working temporarily in Romania would continue to contribute to these programs, and the Romanian government would continue to pay benefits to these workers.

#### Long-Range Financial Effects

Implementing the potential totalization agreement between the U.S. and Romania would decrease the long-range (75-year) actuarial balance of the OASDI program by an amount that is estimated to be negligible (that is, less than 0.005 percent of taxable payroll).

Table 3 displays the components of the estimated net cost to the OASDI Trust Funds for calendar years 2021 through 2095 on a "CPI-indexed to 2021" basis, i.e., indexing the amounts back to the year 2021 by assumed changes in the consumer price index (CPI). In addition, the table displays total estimated OASDI net costs on an annual and cumulative present-value basis, i.e., indexing the amounts back to January 1, 2021 by projected interest rates earned by the OASDI Trust Funds on special-issue U.S. Government bonds.

Attachments: 3

**Table 1.** —Estimated net additional program costs for the U.S. and Romanian Social Security (and other) systems under a potential totalization agreement between the two countries, fiscal years 2024-2030  
(In millions)

	Fiscal year							Total, FY 2024-30
	2024	2025	2026	2027	2028	2029	2030	
Financial effects for the U.S.								
Social Security system:								
Increase in OASDI benefit payments.....	a	\$1	\$1	\$2	\$2	\$2	\$3	\$11
Reduction in OASDI tax contributions.....	\$3	4	4	4	4	5	5	28
Net OASDI cost.....	3	5	5	6	6	7	7	39
Net cost to the Medicare system .....	1	1	1	1	1	1	1	7
Net costs to the Social Security system of Romania:								
Increase in benefit payments .....	a	a	1	2	2	3	3	11
Reduction in tax contributions.....	4	5	6	6	6	6	6	39
Total .....	4	6	7	7	8	9	9	50
Net cost to the Romanian national health insurance system <sup>b</sup> .....	1	2	2	2	2	2	2	14

<sup>a</sup> Less than \$500,000.

<sup>b</sup> Includes health insurance payroll tax contributions that the totalization agreement with Romania would eliminate.

Notes:

1. The agreement is assumed to become effective on January 1, 2024.
2. The estimates are based on the intermediate assumptions of the 2021 OASDI Trustees Report.
3. Totals may not equal the sums of the components due to rounding.
4. Estimates are in U.S. dollars. The assumed exchange rate is 4.214689 RON per U.S. dollar.

Social Security Administration  
Office of the Chief Actuary  
October 1, 2021

**Table 2.**—Estimated number of persons affected by a potential totalization agreement between the United States and Romania, fiscal years 2024-2030  
(In thousands)

	Fiscal year						
	2024	2025	2026	2027	2028	2029	2030
Number of persons receiving a totalized OASDI benefit based in part on employment in Romania (in current-pay status at mid-year).....	a	0.1	0.2	0.3	0.4	0.5	0.6
Number of persons receiving a totalized Romanian benefit based in part on employment in the United States (in current-pay status at mid-year).....	0.1	.3	.6	.9	1.2	1.4	1.6
Number of persons receiving both a totalized OASDI benefit and a totalized benefit from Romania (in current-pay status at mid-year).	a	a	a	.1	.1	.1	.1
Number of residents of Romania who are citizens of a third country, or Romanian citizens living outside the U.S., who would now be able to receive OASDI dependent or survivor benefits because the 3-year U.S. residency requirement would no longer apply (in current-pay status at mid-year).....	.1	.1	.1	.1	.1	.1	.1
Number of U.S. employees in Romania who, along with their employers, would no longer make tax contributions during the year to the Social Security system of Romania.....	.2	.2	.2	.2	.2	.2	.2
Number of Romanian employees in the U.S. who, along with their employers, would no longer make tax contributions during the year to the OASDI trust funds.....	.3	.3	.3	.3	.3	.3	.3

<sup>a</sup> Fewer than 50.

Notes:

1. The agreement is assumed to become effective on January 1, 2024.
2. The estimates are based on the intermediate assumptions of the 2021 OASDI Trustees Report.

Table 3--Projected Net OASDI Cost of Implementing Proposed Totalization Agreement Between U.S. and Romania

Year	Additional OASDI Net Benefits For Year 1/	Change in OASDI Payroll Taxes For Year	Additional OASDI Net Cost For Year 2/	Additional OASDI Net Cost For Year 2/	Cumulative Additional OASDI Net Cost 2/
	(Millions of CPI-Indexed 2021 \$)			(Millions of \$, Present Value as of 1-1-21)	
2021	0	0	0	0	0
2022	0	0	0	0	0
2023	0	0	0	0	0
2024	1	-3	4	4	4
2025	1	-4	4	4	8
2026	1	-4	5	5	13
2027	1	-4	5	5	18
2028	2	-4	6	5	24
2029	2	-4	6	6	29
2030	2	-4	6	6	35
2031	2	-4	6	6	41
2032	2	-4	6	6	47
2033	2	-4	6	6	53
2034	2	-4	6	6	59
2035	2	-4	6	6	65
2036	2	-4	7	6	71
2037	2	-4	7	6	77
2038	2	-4	7	6	83
2039	3	-4	7	6	89
2040	3	-4	7	6	95
2041	3	-4	7	6	100
2042	3	-5	7	6	106
2043	3	-5	7	6	111
2044	3	-5	7	6	117
2045	3	-5	7	5	122
2046	3	-5	8	5	128
2047	3	-5	8	5	133
2048	3	-5	8	5	139
2049	3	-5	8	5	144
2050	3	-5	8	5	149
2051	3	-5	8	5	155
2052	3	-5	8	5	160
2053	3	-5	8	5	165
2054	3	-5	9	5	170
2055	3	-5	9	5	175
2056	3	-6	9	5	180
2057	3	-6	9	5	185
2058	3	-6	9	5	190
2059	3	-6	9	5	195
2060	4	-6	9	5	200
2061	4	-6	10	5	205
2062	4	-6	10	5	210
2063	4	-6	10	5	215
2064	4	-6	10	5	220
2065	4	-6	10	5	224
2066	4	-6	10	5	229
2067	4	-7	11	5	234
2068	4	-7	11	5	238
2069	4	-7	11	5	243
2070	4	-7	11	5	248
2071	4	-7	11	5	252
2072	4	-7	11	5	257
2073	4	-7	12	5	261
2074	5	-7	12	4	266
2075	5	-7	12	4	270
2076	5	-7	12	4	275
2077	5	-8	12	4	279
2078	5	-8	13	4	283
2079	5	-8	13	4	288
2080	5	-8	13	4	292
2081	5	-8	13	4	296
2082	5	-8	13	4	300
2083	5	-8	14	4	305
2084	5	-8	14	4	309
2085	5	-9	14	4	313
2086	5	-9	14	4	317
2087	5	-9	14	4	321
2088	6	-9	15	4	325
2089	6	-9	15	4	329
2090	6	-9	15	4	333
2091	6	-9	15	4	337
2092	6	-10	15	4	341
2093	6	-10	16	4	345
2094	6	-10	16	4	349
2095	6	-10	16	4	352

Based on Intermediate Assumptions of the 2021 Trustees Report.  
 1/ Additional benefits less revenue to OASDI from taxes on benefits.  
 2/ Additional net benefit payments minus change in payroll-tax revenue.

**SUMMARY OF MAIN PROVISIONS  
OF THE UNITED STATES-ROMANIA SOCIAL SECURITY AGREEMENT**

**Introduction**

In general, Section 233(c)(1) of the Social Security Act ("Act") requires that international agreements concluded pursuant to that section meet three requirements:

- They must eliminate dual coverage of the same work under the social security systems of the United States and the other agreement country;
- They must allow for combining credits that the worker earns under the two systems for benefit eligibility purposes; and
- When combined credits establish eligibility for U.S. Social Security benefits, the basis for the U.S. benefit payable must be the proportion of the worker's periods of coverage completed under title II of the Act.

The United States-Romania agreement includes these required provisions.

**Elimination of Dual Coverage**

The agreement establishes rules to eliminate dual coverage and taxation, the situation that now exists when a person from either the United States or Romania works in the other country. The agreement sets forth a general rule under which the social security system of the country where the employee performs the work will cover the employee, subject to the following exceptions:

- If an employer sends an employee from one of the agreement countries to work in the other country for a period not expected to exceed five years, the agreement provides that the employee will remain covered under the home country's social security system. Under a separate provision of the agreement, this same rule applies to a self-employed person who moves to work in the other country for a period not expected to exceed five years.
- Thus, a person whose U.S. employer temporarily transfers him or her to Romania will retain coverage under, and pay contributions to, the U.S. program exclusively. The agreement will relieve the employer and employee (or self-employed person) of the additional burden of paying social security contributions to the Romanian program.
- The agreement also sets forth special coverage rules for employees of the governments of the two countries and for workers in international air and maritime transportation.

**Totalization Benefit Provisions**

The agreement will also help prevent situations where workers suffer a loss of benefit rights because they divide their careers between the United States and Romania.

Under the rules that apply to the United States, if a person has:

- credit for at least six quarters of coverage under the U.S. Social Security system; and
- not enough credits under the U.S. Social Security system to qualify for a retirement, survivors, or disability benefit,

the United States will totalize (i.e., combine) the worker's coverage credits from both countries for the purpose of determining eligibility for a U.S. retirement, survivors, or disability benefit. A person is eligible for a benefit if the worker meets the requirements for a benefit under the U.S. Social Security system based on the combined credits. The benefit amount payable to a person who qualifies based on totalized credits is proportional to the amount of coverage completed in the United States.

Under the rules that apply to Romania, if a person has earned at least one year of coverage under the Romanian system, but does not have enough coverage under the Romanian system to qualify for a retirement, survivors, or disability benefit, Romania will totalize the worker's coverage credits from both countries for the purpose of determining eligibility for a Romanian retirement, survivors, or disability benefit. Where combined credits from both countries establish eligibility, Romania will compute a theoretical benefit amount as if the worker had completed his or her U.S. periods of coverage under Romanian law. To determine the benefit amount actually payable, Romania will prorate the theoretical amount by multiplying it by the ratio of the periods of coverage credited under Romanian law to the total periods credited in both countries.

If a person qualifies for a benefit from the social security system of either country without the need to use credits the worker earned under the other country's social security system, a totalized benefit will not be paid by the country under whose laws the person qualifies; rather, a non-totalized benefit will be paid. However, entitlement to such benefit shall not preclude entitlement to a totalized benefit from the social security system of the other country, provided the person meets all the applicable requirements. While regulations<sup>1</sup> provide that any individual period of employment shall be covered under one country's laws or the other, but not both, certain workers may still need to avail themselves of the totalized benefit provisions of the Agreement. For example, workers who have bifurcated earnings prior to the entry into force of the Agreement and workers who are hired locally in the two countries at different periods may receive benefits from both countries.

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<sup>1</sup> 20 C.F.R. § 404.1913(a)

**UNITED STATES-ROMANIA ADMINISTRATIVE ARRANGEMENT****Purpose**

The administrative arrangement establishes a number of principles which will serve as the basis for developing operating procedures. In particular, it authorizes the designated liaison agencies to develop procedures and forms necessary to implement the principal agreement. The liaison agencies are:

- for the United States, the Social Security Administration (SSA); and
- for Romania, the National House of Public Pensions (NHPP).

**Elimination of Dual Coverage**

The administrative arrangement sets forth rules for issuing the documentation necessary to exempt workers covered under one country's system from coverage under the other country's system. These rules provide that, upon request of a worker, his or her employer, or a self-employed person, the Competent Institution (as defined in the agreement) whose coverage laws will apply to a person working in the other country will issue a certificate of coverage. The certificate shall serve as proof of exemption from social security tax obligations under the other country's social security system.

**Benefit Provisions**

SSA and the Liaison Institution of Romania will exchange coverage records and other information required to process benefit claims filed under the agreement. The administrative arrangement sets forth procedures governing this exchange of claims-related information.

**PRINCIPAL AGREEMENT**  
**AGREEMENT ON SOCIAL SECURITY**  
**BETWEEN**  
**THE UNITED STATES OF AMERICA AND**  
**ROMANIA**

The United States of America ("United States") and Romania, hereinafter individually referred to as "Contracting State" or collectively as "Contracting States,"

BEING DESIROUS of regulating the relations between the two States in the field of Social Security, have agreed as follows:

**PART I**  
**General Provisions**

**Article 1**  
**Definitions**

I. For the purposes of this Agreement on Social Security between the United States of America and Romania, hereinafter referred to as "Agreement":

(a) "National" means,

as regards Romania, a person possessing Romanian citizenship in accordance with the Law of Romanian Citizenship, and

**ANNOTATIONS AND COMMENTS**

Article 1 defines key terms used in this Agreement.

For Romania, "National" means a Romanian citizen. Law no. 21, the Romanian Law on Citizenship, states that Romanian citizenship may be acquired by birth; adoption; repatriation; or request.

## PRINCIPAL AGREEMENT

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as regards the United States, a national of the United States as defined in Section 101, Immigration and Nationality Act, as amended;

(b) "Laws" means the laws and regulations specified in Article 2 of this Agreement;

(c) "Competent Authority" means,

as regards Romania, the ministry responsible for the Laws specified in Article 2 of this Agreement, which shall be notified through diplomatic channels, and

as regards the United States, the Commissioner of Social Security;

(d) "Competent Institution" means,

## ANNOTATIONS AND COMMENTS

Under Section 101(a)(22) of the Immigration and Nationality Act, "the term 'national of the United States' means (A) a citizen of the United States, or (B) a person who, though not a citizen of the United States, owes permanent allegiance to the United States." Those in category (B) include natives of American Samoa.

The term "Laws," as used in this Agreement, refers to each country's social security laws and regulations as set forth in Article 2.

"Competent Authority," wherever it appears in this Agreement, refers to the government official in each country with ultimate responsibility for administering the social security program and the provisions of this Agreement.

"Competent Institution," as used in this Agreement, refers to the administrative body in each country responsible for taking and processing claims and making coverage determinations under each country's social security Laws.

## PRINCIPAL AGREEMENT

as regards Romania, the institution at which the person has been insured at the time of submitting the claim for Benefits, the institution from which the person is entitled to Benefits or would be entitled to Benefits, or the institution designated by the Competent Authority, and

as regards the United States, the Social Security Administration;

- (e) "Period of Coverage" means a period of payment of contributions or a period of earnings from employment or self-employment, as defined or recognized as a period of coverage by the Laws under which such period has been completed, or any similar period insofar as it is recognized by such Laws as equivalent to a period of coverage;

## ANNOTATIONS AND COMMENTS

For Romania, the Competent Institution is the National House of Public Pensions (NHPP), which maintains administrative control over the national social security program. However, regional offices of the NHPP are also responsible for administering the social security program and, thus, implementing certain aspects of this Agreement. Additionally, certain U.S. workers will be exempt by virtue of Part II of this Agreement from making Romanian health insurance contributions (See Article 2.1(b)(ii)). Other Romanian institutions administer the health insurance program, which, while not responsible for the provision of Benefits under this Agreement, still maintain administrative control over that program.

The Social Security Administration (SSA) is the Competent Institution for the United States. However, the U.S. Internal Revenue Service (IRS) retains its responsibility for determining Social Security tax liability based on SSA coverage determinations under this Agreement.

"Period of Coverage" means any period credited under the social security Laws of either country for purposes of determining Benefit eligibility, including periods of covered employment and self-employment.

## PRINCIPAL AGREEMENT

- (f) "Benefit" means any benefit, pension, or death grant, as appropriate, provided for in the Laws specified in Article 2 of this Agreement;
- (g) "Liaison Institution" means the institution responsible for ensuring the coordination and exchange of information between the Competent Institutions;
- (h) "Personal Information" means any data relating to a specific identified or identifiable person, as well as any information that can be used to distinguish or trace an individual's identity; and
- (i) "Reside" means,

as regards Romania, to have a habitual residence, as opposed to a temporary residence or stay, and

## ANNOTATIONS AND COMMENTS

"Benefit" refers to old-age, survivors, and disability Benefits provided under the social security Laws of either country. With respect to the United States, the term also includes the lump-sum death payment under Section 202(j) of the Social Security Act ("Act"). It excludes special age-72 payments provided for certain uninsured persons under Section 228 of the Act.

The "Liaison Institutions" in each country are responsible for implementing and administering the coverage and Benefit provisions of the Agreement. In Article 2.1 of the Administrative Arrangement, the United States designates the Social Security Administration as its Liaison Institution, and Romania designates the National House of Public Pensions as its counterpart Liaison Institution.

"Personal Information" refers to personally identifiable information. Since there is no definition of "personal information" in the Act, this term incorporates and expands upon essential elements of the definition of "information" applying to SSA at 20 § C.F.R. 401.25.

Romania requested the inclusion of a definition of "Reside." This definition distinguishes between those situations where a person is residing in a country as opposed to staying for short periods. For the United States, this has the same meaning as the definition of "residence" or "ordinarily resides" described at 20 C.F.R. § 404.1902.

## PRINCIPAL AGREEMENT

as regards the United States, the meaning assigned to "residence" or "ordinarily resides" in the applicable Laws.

2. Any term not defined in this Article shall have the meaning assigned to it in the applicable Laws.

**Article 2**  
**Material Scope**

1. For the purposes of this Agreement, the applicable Laws are:
- (a) as regards Romania:
- (i) the laws governing the pensions and death grants from the public pensions system, and
- (ii) as regards Part II of this Agreement only, the laws referred to under paragraph 1(a)(i) of this Article and the laws governing health social insurance contributions.
- (b) as regards the United States, the laws governing the Federal old-age, survivors, and disability insurance program:

## ANNOTATIONS AND COMMENTS

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If this Agreement does not define a term, that term has the same meaning as it does under each country's national Laws.

Article 2.1 specifies the Laws to which this Agreement applies.

For Romania, this Agreement applies to the Laws governing the old-age, survivors, and disability insurance (OASDI) Benefits programs of the social security system, as well as to the death grant provided to the family of deceased workers under Romanian national Laws.

A worker subject only to U.S. Laws under the coverage provisions of this Agreement will be exempt, together with his or her employer, from making contributions for Romanian OASDI and health insurance programs.

## PRINCIPAL AGREEMENT

- (i) Title II of the Social Security Act and regulations pertaining thereto, except sections 226, 226A, and 228 of that title, and regulations pertaining to those sections, and
- (ii) Chapters 2 and 21 of the Internal Revenue Code of 1986 and regulations pertaining to those chapters.
2. Unless otherwise provided in this Agreement, the Laws referred to in paragraph 1 of this Article shall not include treaties, other international agreements concluded between one Contracting State and a third State, supranational legislation on Social Security, or laws promulgated for the implementation of such treaties, other international agreements, or supranational legislation on Social Security.

## ANNOTATIONS AND COMMENTS

For the United States, this Agreement applies to Title II of the Act. It also applies to the corresponding tax laws (the Federal Insurance Contributions Act—FICA and the Self-Employment Contributions Act—SECA) and any regulations pertaining to those laws. This Agreement does not apply to Medicare provisions (Sections 226 and 226A of the Act). It also does not apply to provisions for special payments to uninsured individuals age 72 or over under Section 228 of the Act. Persons to whom this Agreement applies who qualify for Medicare hospital insurance or age-72 payments without application of this Agreement may still receive such benefits.

A worker who is exempt from making U.S. contributions by virtue of Part II of this Agreement shall be exempt from U.S. FICA and SECA taxes, which include old-age, survivors, disability, and Medicare contributions.

Except as this Agreement itself provides, the Laws to which the Agreement applies do not include treaties and other international agreements. This includes either country's bilateral social security agreements with third countries or multilateral agreements. This provision ensures that if a person has Periods of Coverage in the United States and Romania and periods of coverage in a third country with which either country has a social security agreement, SSA cannot combine periods from all three countries to meet U.S. Benefit eligibility requirements.

## PRINCIPAL AGREEMENT

3. Except as provided in paragraph 4 of this Article, this Agreement shall also apply to laws which amend, supplement, or replace the Laws specified in paragraph 1 of this Article.
  
4. This Agreement shall apply to future legislation of a Contracting State which creates new categories of beneficiaries or new benefits under the Laws of that Contracting State unless the Competent Authority of that Contracting State notifies the Competent Authority of the other Contracting State in writing within three months of the date of the official publication of the new legislation that no such extension of this Agreement is intended.

**Article 3**  
**Personal Scope**

This Agreement shall apply to:

- (a) all persons who are or have been subject to the Laws of either or both Contracting States; and

## ANNOTATIONS AND COMMENTS

Paragraph 3, in conjunction with paragraph 4, provides that this Agreement will automatically apply to any future U.S. or Romanian legislation that amends or supplements the Laws set forth in paragraph 1. This includes legislation that creates new categories of beneficiaries or new Benefits. The country enacting the legislation may exclude it from the scope of this Agreement by giving written notice to the other country within three months of the legislation's official publication.

Article 3 specifies the persons to whom this Agreement applies. These include persons currently or previously covered under U.S. or Romanian Laws. This Agreement also applies to the dependents and survivors of such persons when the Laws of one or both countries confer rights to dependents or survivors because of their relationship to such persons.

## PRINCIPAL AGREEMENT

- (b) other persons whose rights derive, in accordance with the applicable Laws, from the persons specified under subparagraph (a) of this Article.

**Article 4**  
**Equality of Treatment**

Unless otherwise provided in this Agreement, persons designated in Article 3 of this Agreement who Reside in the territory of a Contracting State shall receive equal treatment with Nationals of that Contracting State in the application of its Laws regarding eligibility for and the payment of Benefits.

**Article 5**  
**Export of Benefits**

1. Unless otherwise provided in this Agreement, any provision of the Laws of a Contracting State which restricts entitlement to or payment of Benefits solely because a person Resides outside or is absent from the territory of that Contracting State shall not be applicable to a person who Resides in the territory of the other Contracting State.

## ANNOTATIONS AND COMMENTS

Article 4 provides that persons to whom this Agreement applies who Reside in the United States or Romania will receive the same Benefit rights as that country gives its own Nationals. The intent of this provision is to eliminate discrimination based on a person's nationality with respect to Benefits. It would not affect U.S. restrictions on Benefit eligibility or payment because a person is not lawfully present in the United States or did not have permission to work in the United States. The provision also does not affect the coverage provisions of either country's Laws, since Part II of the Agreement deals with social security coverage.

Article 5.1 provides that where the Laws of either country require residence in that country in order to qualify for or receive social security Benefits, a person may also qualify for and receive those Benefits while residing in the other country. By virtue of SSA's published finding about Romania's social security system (see 78 Fed. Reg. 2709), the United States pays Benefits to Romanian citizens who do not satisfy U.S. residency requirements for Benefit payment contained in Section 202(i)(1) of the Act. However, the nonpayment exception is subject to

## PRINCIPAL AGREEMENT

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2. As regards Romania, the provisions of paragraph 1 of this Article shall not apply to special non-contributory cash benefits.

**PART II**  
**Provisions Concerning Applicable Laws**

**Article 6**  
**General Rule**

## ANNOTATIONS AND COMMENTS

other U.S. payment restrictions based on residency requirements for dependents and survivors; e.g., Section 202(i)(11) of the Act. Both countries intend that under this Agreement, Nationals of either country may qualify for or receive Benefits while residing in the other country. Accordingly, under Section 233(c)(2) of the Act, this Agreement will permit SSA to pay dependents and survivors currently subject to such residency requirements as well as certain persons who are third country nationals residing in either country.

Article 5.2 stipulates that Romania will not pay special, non-contributory cash benefits provided for under its national Laws under the terms of this Agreement. These benefits, like U.S. Supplemental Security Income payments described in Title XVI of the Act, are means-tested, social assistance payments. Persons who Reside in Romania may be eligible to qualify for such payments without the need to invoke the provisions of this Agreement.

Part II eliminates dual social security coverage, which occurs when a worker must pay social security taxes to both countries for the same earnings. This Agreement complies with the existing coverage provisions under the Laws of both countries except when necessary to prevent payment of social security taxes to both countries for the same earnings. The provisions in this Part retain the worker's social security coverage and taxation in the country where he or she has the more direct connection, while exempting the worker from coverage and taxation under the other country's system.

**PRINCIPAL AGREEMENT**

Except as otherwise provided in this Part, an employed or self-employed person pursuing an activity within the territory of one of the Contracting States shall, with respect to that employment or self-employment, be subject to the Laws of only that Contracting State, regardless of where the person Resides or where the headquarters of the employer is located.

**Article 7  
Additional Rules**

1. Where a person who is normally employed in the territory of one Contracting State by an employer that normally carries out substantial activity in that territory and who is sent by that employer to the territory of the other Contracting State for a period not to exceed five years, the person shall be subject to the Laws of only the first Contracting State as if the person were employed in the territory of the first Contracting State.

**ANNOTATIONS AND COMMENTS**

Article 6 establishes a basic territoriality rule, stating that ordinarily, only the country in which a person is working will compulsorily cover the person's work in that country. Work that both countries would otherwise cover will remain covered exclusively under the system of the country where the person is working. Such work activity will be exempt from coverage under the other country's system.

Under Article 7.1, an employee who normally works for an employer located in the United States or in Romania who temporarily transfers to work in the other country for the same employer will continue to pay social security taxes to the system of the country from which the employee transferred. This rule will apply only if the employer expects the period of transfer to be five years or less.

In determining the length of a transfer for workers whose employer sent them from one country to the other before this Agreement entered into force, both countries will disregard any period of work before this Agreement's entry into force. (See Article 28.3).

## PRINCIPAL AGREEMENT

2. For purposes of applying paragraph 1 of this Article in the case of an employee who is sent from the territory of the United States by an employer in that territory to an affiliated company in the territory of Romania, the employer and the affiliated company of the employer shall be considered one and the same, provided that the employment would have been covered under the Laws of the United States absent this Agreement.
3. Paragraphs 1 and 2 of this Article shall also apply where a person who has been sent by his or her employer from the territory of a Contracting State to the territory of a third State, and who is compulsorily covered under the Laws of that Contracting State while employed in the territory of the third State, is subsequently sent from the territory of the third State to the territory of the other Contracting State by that employer.

## ANNOTATIONS AND COMMENTS

Article 7.2 broadens the scope of Article 7.1 to include certain workers whose employers in the United States send them to work for a subsidiary or other affiliate of that employer in Romania. U.S. Laws allow American companies to extend U.S. Social Security coverage to U.S. citizens and resident aliens employed by an affiliated company in another country. To do this, the parent company in the United States must enter into an agreement with the IRS to pay Social Security contributions on behalf of all U.S. citizens and residents the foreign affiliate employs. Under Article 7.2, U.S. citizens or resident aliens an American employer sends to work for a Romanian affiliate for five years or less will continue to have coverage in the United States and be exempt from Romanian coverage and contributions, if an IRS agreement covers the affiliate.

Under Article 7.3, the provisions of Articles 7.1 and 7.2 will apply even if an employee did not transfer directly from one country to the other, but first transferred to work in a third country.

## PRINCIPAL AGREEMENT

4. Where a person who is normally self-employed in the territory of one Contracting State temporarily relocates to the territory of the other Contracting State, he or she shall be subject to the Laws of only the first Contracting State, provided that the first Contracting State determines that he or she will pursue similar self-employment activity and that the period of self-employment activity in the territory of the other Contracting State is not to exceed five years.
5. (a) A person who is employed as an officer or member of a crew on a vessel which flies the flag of one Contracting State and who would be covered under the Laws of both Contracting States shall be subject to the Laws of only the Contracting State whose flag the vessel flies. For purposes of the preceding sentence, a vessel which flies the flag of the United States is one defined as an American vessel under the Laws of the United States.

## ANNOTATIONS AND COMMENTS

Article 7.4 provides that a person who is self-employed in one country who transfers his or her trade or business to the other country for a period of five years or less will remain covered only by the country from which he or she moved. This rule will apply only if the self-employed person expects the period of transfer to last five years or less.

In determining the duration of such a transfer for a person who moves his or her business to the other country before this Agreement enters into force, Article 28.3 provides that both countries will disregard any period of self-employment before the Agreement's entry into force.

Article 7.5(a) states that an employee on a U.S. or Romanian ship, who would otherwise have coverage in both countries, will have coverage only in the country whose flag the ship flies. U.S. law considers a ship to fly the flag of the United States if the Act defines it as an American vessel. Section 210(c) of the Act defines an American vessel as one that is "documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State."

## PRINCIPAL AGREEMENT

- (b) Traveling employees of air transportation companies who perform work in the territories of both Contracting States and who would otherwise be covered under the Laws of both Contracting States shall, with respect to that work, be subject to the Laws of only the Contracting State in the territory of which the company has its headquarters. However, if such employees Reside in the territory of the other Contracting State, they shall be subject to the Laws of only that Contracting State.
6. (a) This Agreement shall not affect the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.

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## ANNOTATIONS AND COMMENTS

Under Article 7.5(b), a member of the flight crew of an aircraft operating between the United States and Romania who would otherwise have coverage in both countries will have coverage only in the country in which the company employing the person has its headquarters. However, if the employee Resides in the other country, he or she will only have coverage in that country.

Article 7.6(a) specifies that the coverage provisions of this Agreement will not affect the persons to whom the Vienna Conventions on diplomatic and consular relations apply. The Conventions, to which both the United States and Romania are parties, apply to members of the staff of a diplomatic or consular mission. This includes the diplomatic, consular, administrative and technical staffs; family members of such staff who form part of their households; the domestic service staffs of the missions, and private servants whom the members of such missions employ.

The Vienna Conventions usually exempt such persons from social security coverage and contributions in the host country with respect to services rendered for the sending state, with certain limited exceptions. Persons who do not enjoy an exemption under the Conventions would be subject to the Laws of the host country and the coverage provisions of this Agreement, including Article 7.6 (b), if applicable.

## PRINCIPAL AGREEMENT

- (b) Nationals of one of the Contracting States who are employed by the Government of that Contracting State in the territory of the other Contracting State but who are not exempt from the Laws of the other Contracting State by virtue of the Conventions mentioned in subparagraph (a) of this paragraph shall be subject to the Laws of only the first Contracting State. For the purpose of this paragraph, employment by the Government of a Contracting State also includes employment by an instrumentality thereof.
7. The Competent Authorities of the two Contracting States or the institutions designated by them may agree to grant exceptions to the provisions of this Part with respect to a person or category of persons, provided that the person or persons are subject to the Laws of one of the Contracting States.

**PART III**  
**Provisions on Benefits**

## ANNOTATIONS AND COMMENTS

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Under Article 7.6(b), if a U.S. or Romanian National works for his or her country's Government in the other country, but the Vienna Conventions do not provide an exemption from host country social security coverage to this person, the person will be subject only to his or her country's Laws. This provision applies to U.S. Government and Romanian Government employees, as well as to persons working for a U.S. Government instrumentality.

Under Article 7.7, either country may grant an exception to the coverage rules of this Agreement if the other country agrees and the person involved retains coverage in one of the countries. Either country may grant such an exception to an individual worker or to all workers under similar circumstances, e.g., in the same profession or working for the same employer. This provision allows the Competent Authorities to resolve anomalous coverage situations that are unfavorable to workers or to eliminate dual coverage in unforeseen circumstances.

Part III establishes the basic rules for determining social security Benefit entitlement when a person has coverage in both countries. It sets out the rules for determining Benefit amounts when entitlement is possible only with combined work credits. Article 8 deals with the U.S. system, and Articles 9 through 13 contain rules applicable to the Romanian system. Articles 14 and 15 contain joint Benefit provisions.

## PRINCIPAL AGREEMENT

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## ANNOTATIONS AND COMMENTS

**Article 8**  
**Benefits under the Laws of the United States**

1. Where a person has completed at least six quarters of coverage under the Laws of the United States, but does not have sufficient Periods of Coverage to satisfy the requirements for entitlement to Benefits under the Laws of the United States, the Competent Institution of the United States shall take into account, for the purpose of establishing entitlement to Benefits under this Article, Periods of Coverage which are credited under the Laws of Romania and which do not coincide with Periods of Coverage already credited under the Laws of the United States.
2. In determining eligibility for Benefits under paragraph 1 of this Article, the Competent Institution of the United States shall credit one quarter of coverage for every three months of coverage certified by the Competent Institution of Romania; however, no quarter of coverage shall be credited for any calendar quarter already credited as a quarter of coverage under the Laws of the United States. The total number of quarters of coverage to be credited for a year shall not exceed four. The Competent Institution of the United States shall not take into account Periods of Coverage that occurred prior to the earliest date for which Periods of Coverage may be credited under its Laws, nor will the Competent Institution of the United States take into account any Periods of Coverage that are not based on wages or self-employment income.

Article 8 contains rules for using combined coverage to determine U.S. Benefit eligibility and amounts.

Under Article 8.1, if a person has at least six U.S. quarters of coverage, but not enough quarters to qualify for U.S. Benefits, SSA will take into account any Periods of Coverage that Romanian Laws credit, subject to the exceptions detailed in Article 8.2.

Article 8.2 establishes how SSA will convert Periods of Coverage under the Romanian system into equivalent periods under the U.S. system. The U.S. system measures Periods of Coverage in terms of calendar quarters while the Romanian system measures Periods of Coverage in months.

Beginning in 1978, SSA bases quarters of coverage on the amount of a person's annual earnings (e.g., for 2023, \$1,640 in earnings equals one quarter of coverage). Under Article 8.2, SSA will credit one quarter of coverage in a calendar year for every three months of coverage that the Competent Institution of Romania certifies for that year. (Article 10.2 provides a corresponding rule for converting U.S. quarters of coverage into Romanian Periods of Coverage when determining Romanian Benefit eligibility.)

## PRINCIPAL AGREEMENT

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## ANNOTATIONS AND COMMENTS

3. Where entitlement to a Benefit under the Laws of the United States is established according to the provisions of paragraph 1 of this Article, the Competent Institution of the United States shall compute a pro rata Primary Insurance Amount in accordance with the Laws of the United States based on:

- (a) the person's average earnings credited exclusively under the Laws of the United States; and
- (b) the ratio of the duration of the person's Periods of Coverage completed under the Laws of the United States to the duration of a coverage lifetime as determined in accordance with the Laws of the United States.

Benefits payable under the Laws of the United States shall be based on the pro rata Primary Insurance Amount.

SSA will not credit more than four quarters of coverage for any calendar year. SSA will also not consider Romanian Periods of Coverage not related to work or contributions, nor will SSA credit months of coverage under Romanian Laws that fall within a calendar quarter that SSA already credited as a U.S. quarter of coverage.

Article 8.3 describes the method of computing U.S. Benefit amounts when SSA establishes entitlement by totalizing (i.e., combining) U.S. and Romanian coverage. Persons whose U.S. coverage alone qualifies them for U.S. Benefits will not receive U.S. totalization Benefits.

Under Article 8.3, the amount of the worker's Benefit depends on both the level of his or her earnings and the duration of his or her U.S. Social Security coverage. SSA regulations (20 C.F.R. § 404.1918) describe this computation procedure in detail.

The first step in the procedure is to compute a theoretical Primary Insurance Amount (PIA) as though the worker had spent a full career under U.S. Social Security at the same level of earnings as during his or her actual periods of U.S. covered work. SSA then prorates the theoretical PIA to reflect the proportion of a coverage lifetime completed under the U.S. program. The regulations define a coverage lifetime as the number of years used in determining a worker's average earnings under the regular U.S. national computation method.

## PRINCIPAL AGREEMENT

4. Entitlement to a Benefit under the Laws of the United States that results from paragraph 1 of this Article shall terminate with the acquisition of sufficient Periods of Coverage under the Laws of the United States to establish entitlement to an equal or higher Benefit without the need to invoke paragraph 1 of this Article.

## Article 9

**Determination of Benefits under the Laws of Romania  
without the Aggregation of Periods of Coverage**

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## ANNOTATIONS AND COMMENTS

Article 8.4 provides that if a worker entitled to a U.S. totalization Benefit acquires additional U.S. coverage that enables the worker to qualify for an equal or higher Benefit based only on his or her U.S. coverage, SSA will pay the regular national law Benefit rather than the totalization Benefit.

## ROMANIAN SOCIAL SECURITY BENEFITS

## GENERAL

The Romanian social security program consists of a three-pillar system. The first pillar is a mandatory defined benefit pension financed on a pay-as-you-go basis. The second pillar is a supplemental, voluntary occupational pension system. The third pillar is a voluntary tax-deductible savings scheme for employers and their employees. Articles 9 - 15 apply to the defined benefit system, which is a contributory program that covers almost all residents of Romania.

Romania pays Benefits in amounts that it bases on a "points" system factoring in total wages, total months of covered work, and an actuarial coefficient designed to ensure a constant rate of return over time. The second and third pillars exist to supplement the basic Benefit, and are not subject to this Agreement for purposes of Benefits.

## PRINCIPAL AGREEMENT

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## ANNOTATIONS AND COMMENTS

## OLD-AGE BENEFITS

The regular retirement age in Romania is age 65 for males and 61 years and 10 months for females (gradually increasing to age 63 by January 1, 2030) with at least fifteen years of contributions to the Romanian system. Early retirement is possible under the system, provided the worker exceeds the full contribution period by at least eight years and is no more than five years under the standard retirement age at the time of filing. Additional retirement age reductions are available to the following:

Persons who contributed under special, difficult or other specific working conditions;

Persons who contributed to the system while being disabled;

Persons persecuted for political reasons by the former communist regime;

Blind persons; and

Other categories of persons, defined by special legislation.

The Romanian system requires a minimum of fifteen years of coverage for entitlement to an old-age Benefit, but provides incentives in the form of a higher Benefit amount for workers making additional contributions to the system. Additionally, Romania supplements Benefit amounts for workers who meet the criteria for an early retirement Benefit, but elect to defer receipt of their Benefit past the retirement age.

Romania calculates an old-age Benefit based on a "point" system. For each year in which a worker has covered earnings, the NHPP will divide his or her covered earnings by the average monthly earnings for all workers in Romania in that year, yielding a score for that year. The NHPP then prorates these scores over a yearly basis by dividing them by twelve. Romania subsequently divides the sum of these prorated scores by the full contribution period, or total time necessary to receive a full retirement Benefit (thirty-five years). The NHPP derives the final amount by multiplying this result by the present pension value, an actuarial coefficient set periodically by the Romanian Government. Since January 1, 2022, the present pension value has been RON 1,586 (\$345.75).

If a worker elects to defer receipt of his or her Benefit past the standard retirement age, Romania adds .5% to the pension point calculation for each month of deferment. The minimum Benefit amount since January 1, 2022 has been RON 1000 (\$217.90) per month. There is no statutory maximum Benefit amount.

#### DISABILITY BENEFITS

The Romanian system pays Benefits to three categories of disability beneficiaries. Category I disabled workers are completely incapable of work and self-sufficiency, requiring constant care and assistance. Category II disabled workers have also lost all work capacity, but retain a degree of self-sufficiency. Category III disabled workers have lost at least 50% of their work capacity, but are still able to perform some professional activity.

## PRINCIPAL AGREEMENT

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## ANNOTATIONS AND COMMENTS

In order to qualify, a worker must be under the standard retirement age, have at least a 50% reduction in capacity for work, and have a minimum specified amount of coverage as follows:

<u>Age at Time of Onset</u>	<u>Minimum Contributions</u>
Up to age 20	1 year
20 - 23 years old	2 years
23 - 25 years old	3 years
25 - 29 years old	6 years
29 - 33 years old	9 years
33 - 37 years old	11 years
37 - 41 years old	14 years
41 - 45 years old	17 years
45 - 49 years old	20 years
49 - 53 years old	23 years
53 - 57 years old	25 years
57 - 60 years old	26 years
60 years or older	27 years

The calculation of a disability Benefit is nearly identical to the calculation of the old-age Benefit, except that workers receive credits for periods during which Romania deems them disabled. The law mandates assignment of such credits as follows:

Category I - .70 points  
 Category II - .55 points  
 Category III - .35 points

## PRINCIPAL AGREEMENT

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## ANNOTATIONS AND COMMENTS

The minimum Benefit amount since January 1, 2022 has been RON 1,000 (\$218.10) per month. There is no statutory maximum Benefit amount.

## SURVIVORS' BENEFITS

Survivors may receive Benefits provided the deceased had been entitled to an old-age or disability Benefit at the time of death or met all the requirements for entitlement (with the exception of age attainment) at the time of his or her death. Romania can make payments to the following categories of persons:

Widow(er)s who were married to the deceased worker for at least ten years at the time of death and have reached the standard retirement age;

Disabled widow(er)s who were married to the deceased worker for at least one year;

Widow(er)s whose income is less than a statutorily defined amount;

Children of the deceased worker under age 16;

Children of the deceased worker ages 16-26 and attending school or an apprenticeship; and

Disabled children of the deceased worker at any age, provided their disability began prior to age 16 (age 26 if in school or an apprenticeship).

## PRINCIPAL AGREEMENT

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## ANNOTATIONS AND COMMENTS

Romania bases survivors Benefit amounts on the deceased person's Benefit amount or potential Benefit amount as follows:

If one survivor is entitled, he or she will receive 50% of the amount to which the worker was or would have been entitled;

If two survivors are entitled, they will receive 75% of the amount to which the worker was or would have been entitled, divided evenly between them; and

If three or more survivors are entitled, they will receive 100% of the amount to which the worker was or would have been entitled, divided evenly among them all.

The maximum Benefit payable to all survivors is 100% of the deceased worker's Benefit or potential Benefit amount.

## COST-OF-LIVING ADJUSTMENTS

Romania calculates cost of living adjustments (COLAs) by changing the present pension value. Romania calculates COLAs at least once per year without a legally defined date by which a COLA must occur, but the government may readjust the value during the year based on macroeconomic indicators and financial resources. Any change in the present pension value will occur subject to a lower bound of 37.5% of the projected annual gross wage for that year and an upper bound of 1.5 times the rate of wage inflation.

**PRINCIPAL AGREEMENT**

If a person fulfills the conditions necessary for entitlement to a Benefit in accordance with the Laws of Romania without taking into account Periods of Coverage completed under the Laws of the United States, the Competent Institution of Romania shall calculate the Benefits only in accordance with Periods of Coverage completed under the Laws of Romania.

**Article 10**  
**Aggregation of the Periods of Coverage by the Competent Institution of Romania**

1. If a person does not fulfill the conditions necessary for entitlement to a Benefit in accordance with the Laws of Romania without taking into account Periods of Coverage completed under the Laws of the United States, and entitlement to Benefits under the Laws of Romania is conditional upon the completion of a certain Period of Coverage, the Competent Institution of Romania shall take into account, to the extent necessary, Periods of Coverage completed under the Laws of the United States, insofar as such Periods of Coverage do not overlap with Periods of Coverage already credited under the Laws of Romania, as if they were periods completed under the Laws of Romania.

**ANNOTATIONS AND COMMENTS**

Article 9 provides that if a person is entitled to a Romanian Benefit without the need to use U.S. Periods of Coverage, Romania will not consider Periods of Coverage earned in the United States.

Article 10 contains rules for determining Romanian Benefit eligibility and amounts in the case of people who have periods of social security coverage in Romania and the United States, but who do not have enough Romanian coverage to qualify for Romanian Benefits. In such cases, the Romanian Competent Institution will add U.S. quarters of coverage to periods of Romanian coverage, provided these periods do not coincide with Periods of Coverage already credited under Romanian Laws, in determining whether a person meets the minimum coverage requirements for OASDI Benefits under Romanian Laws (including the various recent coverage requirements).

**PRINCIPAL AGREEMENT**

2. In determining eligibility for Benefits under paragraph 1 of this Article, the Competent Institution of Romania shall take into consideration three months of coverage for every quarter of coverage certified by the Competent Institution of the United States. The total number of months of coverage to be taken into consideration for a year shall not exceed twelve.
3. Where the Laws of Romania provide that the period in which a claimant receives a Benefit is reckonable in determining entitlement to a different Benefit, the Competent Institution of Romania shall take into account for this purpose any periods during which the person received a Benefit under the Laws of the United States.

**Article 11**  
**Award of Benefits under the Laws of Romania**

1. Where a person has been subject to the Laws of both Contracting States, the Competent Institution of Romania shall determine such person's entitlement to Benefits in accordance with the Laws of Romania and, where appropriate, in accordance with the provisions of Article 10 of this Agreement.

**ANNOTATIONS AND COMMENTS**

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Under Article 10.2, the Romanian Competent Institution will credit three months of coverage for every quarter of coverage certified by the Social Security Administration. If the Social Security Administration certifies four quarters of coverage in any calendar year, the Romanian Competent Institution will credit a maximum of twelve months of coverage.

Article 10.3 stipulates that where Romania counts periods of receipt of one Benefit for purposes of entitlement to another Benefit, Romania shall consider periods of receipt of a similar U.S. Benefit as equivalent to periods of receipt of a Romanian Benefit. For example, if a person received a disability Benefit for three years and then returned to work, in calculating that person's subsequent retirement Benefit, Romania would consider the three years of receipt of disability benefits as three years of coverage, so as not to disadvantage the person.

Article 11.1 makes clear that persons who have been subject to both U.S. and Romanian Laws will be eligible to Benefits under Romanian Laws, or to Benefits based on combined Romanian and U.S. coverage.

## PRINCIPAL AGREEMENT

2. For purposes of applying paragraph 1 of this Article, the Competent Institution of Romania calculates Benefits as follows:
- (a) the theoretical amount of the Benefit shall be calculated as if all Periods of Coverage were completed under the Laws of Romania; and
  - (b) the actual amount of the Benefit to be granted to the person shall be calculated based on the theoretical amount calculated according to the provisions of subparagraph (a) of this paragraph, and in proportion to the ratio between the total duration of the Periods of Coverage completed before the contingency arose under the Laws of Romania and the total duration of the Periods of Coverage completed before the contingency arose under the Laws of both Contracting States.
3. If the amount of the Benefit is determined taking into account the number of the beneficiaries, the Competent Institution of Romania also takes into account the beneficiaries who Reside in the territory of the United States.

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## ANNOTATIONS AND COMMENTS

The Romanian Competent Institution, in accordance with Article 11.2(a), will first compute a theoretical benefit amount as if the worker's U.S. Periods of Coverage were Romanian Periods of Coverage.

Under Article 11.2(b), the Romanian Competent Institution will compute the amount of the Benefit it will actually pay by prorating the theoretical amount determined under Article 11.2(a). The pro rata Benefit will be computed by multiplying the theoretical amount by the ratio of the Periods of Coverage completed under the Laws of Romania to the total periods in both countries prior to the qualifying event (attainment of retirement age, disability onset, or the worker's death).

In some cases, Romania calculates the Benefit amount according to the number of beneficiaries on the worker's record. Survivors' benefits, for example, are paid as follows:

- If one survivor is entitled on the deceased's record, the survivor will receive 50% of the amount the worker would have received;
- If two survivors are entitled on the deceased's record, the survivors will receive 75% of the amount the worker would have received, divided evenly between both beneficiaries;

## PRINCIPAL AGREEMENT

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4. If a Benefit is calculated based on earnings, due contributions, or paid contributions during a certain period, the Competent Institution of Romania shall take into consideration the earnings, due contributions, or paid contributions exclusively for the Periods of Coverage accomplished according to the Laws of Romania.

## Article 12

**Romanian Period of Coverage of Less Than One Year**

Notwithstanding the provisions of Article 10 of this Agreement, where the total duration of the Periods of Coverage completed under the Laws of Romania is less than one year and where, on the basis of such Periods of Coverage only, no right is acquired under the Laws of Romania, the Competent Institution of Romania shall not award Benefits based on such Periods of Coverage.

## ANNOTATIONS AND COMMENTS

- If three or more survivors are entitled, they will receive 100% of the amount the worker would have received, divided evenly among all of the beneficiaries.

Article 11.3 ensures that in such cases, the Romanian Competent Institution will consider beneficiaries resident in the United States.

Under Romanian Laws, the Romanian Competent Institution calculates Benefits in accordance with the average number of "points" a worker is awarded during his or her working lifetime. The number of points awarded to a worker in a given year is based on the ratio of his or her covered earnings in a given year to the average wage for all workers in that same year. Article 11.4 stipulates that where a worker earned Periods of Coverage for a given year in the United States but not in Romania, the Romanian Competent Institution will assign points for that year in accordance with the average annual points he or she earned over the duration of his or her working career in Romania.

This provision states that where a person has less than one year of coverage under the Laws of Romania, Romania will only pay a Benefit if, under its own national Laws, a person can be entitled to a benefit solely in consideration of Romanian Periods of Coverage.

## PRINCIPAL AGREEMENT

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## ANNOTATIONS AND COMMENTS

**Article 13****Consideration of Periods of Coverage in a Third State by the Competent Institution of Romania**

If, after applying the provisions of Article 10, a person fails to fulfill the conditions for acquiring a right to a Benefit, the Competent Institution of Romania shall take into account periods of coverage completed under the laws of a third State with which both Contracting States have concluded social security agreements which provide for the aggregation of Periods of Coverage.

**Article 14****Assignment of Periods of Coverage**

Where it is not possible to determine the time in the calendar year during which a specific Period of Coverage was completed under the Laws of a Contracting State, the other Contracting State will presume that the Period of Coverage does not coincide with a Period of Coverage completed under its Laws.

Article 2.2 of this Agreement provides that, unless otherwise provided in the text of this Agreement, other social security agreements, treaties, and supranational legislation will not apply to this Agreement. Under Article 13, Romania is providing that if a person does not have enough combined Periods of Coverage in the United States and Romania, the Competent Institution of Romania will consider periods of coverage earned in a third State with which both Contracting States have in effect a social security agreement.

Under Article 14, if it is not possible for the Competent Institution of one Contracting State to determine the time of the year during which a person earned Periods of Coverage in the other Contracting State, that Competent Institution shall presume that such periods do not coincide with any Periods of Coverage earned under its Laws. Since 1978, SSA assigns U.S. quarters of coverage based on total earnings in a given year (see annotation for Article 8.2 for more detail). Under this provision, both Contracting States will presume that where U.S. and Romanian Periods of Coverage coincide in the same year, the worker did not earn them in both countries at the same time in the year, and will credit such periods in the manner most beneficial to the claimant.

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**Article 15  
Death Grant**

A death grant or a lump-sum death payment shall be exclusively awarded according to the Laws of each Contracting State and this Agreement.

**PART IV  
Miscellaneous Provisions****Article 16  
Administrative Measures and Cooperation**

The Competent Authorities of the two Contracting States shall:

- (a) conclude an Administrative Arrangement for the implementation of this Agreement and designate Liaison Institutions;
- (b) communicate to each other information concerning the measures that have been taken or will be taken for the application of this Agreement; and
- (c) communicate to each other, as soon as possible, information concerning all changes in their respective Laws which may affect the application of this Agreement.

## ANNOTATIONS AND COMMENTS

Under Article 15 of this Agreement, the United States and Romania will pay lump-sum death payments and death grants, respectively, solely under the Laws of each Contracting State and under the provisions of this Agreement.

Article 16 outlines various duties of the Competent Authorities under this Agreement. Paragraph (a) authorizes and requires the Competent Authorities to conclude an Administrative Arrangement and designate Liaison Institutions to facilitate the implementation of this Agreement. Paragraph (b) requires them to notify each other of steps they take unilaterally to implement this Agreement. Paragraph (c) obligates the Competent Authorities to notify each other of any changes in their Laws that may affect the application of this Agreement.

## PRINCIPAL AGREEMENT

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**Article 17**  
**Mutual Assistance**

The Competent Authorities, the Liaison Institutions, and the Competent Institutions, within the scope of their respective competencies, shall assist each other in implementing this Agreement. This assistance shall be free of charge, subject to exceptions provided for by the Administrative Arrangement and by Article 18 of this Agreement.

**Article 18**  
**Medical Examinations**

Medical examinations of persons in the territory of one of the Contracting States which are required under the Laws of the other Contracting State shall be arranged by the Competent Institution of the first Contracting State upon the request and at the expense of the requesting Competent Institution. If medical examinations are needed for the application of the Laws of both Contracting States, they shall be arranged through and at the expense of the Competent Institution where the person Resides.

## ANNOTATIONS AND COMMENTS

Article 17 authorizes the two countries to furnish each other non-reimbursable assistance in administering this Agreement. Such assistance may include taking Benefit applications and the gathering and exchange, including the electronic exchange, of information relevant to claims filed and Benefits paid under this Agreement. Although Article 17 establishes a general principle that mutual administrative assistance will be free of charge, the provision authorizes the two sides to agree to exceptions, such as the exception for medical examinations in Article 18 of this Agreement.

Article 18 provides that where a medical examination is necessary to establish eligibility for or continuing entitlement to a country's Benefits, and the claimant or beneficiary is in the other country, the Competent Institution of the other country, upon request, will arrange for the examination at the expense of the Competent Institution requesting the examination.



**PRINCIPAL AGREEMENT**

3. The Liaison Institution transmitting Personal Information pursuant to this Agreement shall take all reasonable steps to ensure that transmitted Personal Information is accurate and does not exceed the purpose for which the Personal Information is collected and processed. In accordance with their respective national statutes, the receiving institution shall correct or delete any inaccurate or excessive Personal Information transmitted under this Agreement, and immediately notify the other Contracting State's institution of such correction. This shall not limit a person's right to request such correction or deletion of his or her Personal Information directly from the institutions.
4. The transmitting and the receiving Liaison Institution shall effectively protect Personal Information against unauthorized or illegal access, alteration, or disclosure.

**Article 20**  
**Confidentiality of Exchanged Employers' Information**

Unless otherwise required by the national statutes of a Contracting State, employers' information transmitted between Contracting States in accordance with this Agreement shall be used exclusively for purposes of implementing this Agreement and the applicable Laws. The receiving Contracting State's national statutes for the protection and confidentiality of employers' information and the provisions of this Agreement shall govern such use.

**ANNOTATIONS AND COMMENTS**

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Article 19.3 provides that both countries will take reasonable steps to ensure the accuracy of Personal Information transmitted between the two countries and will limit the transmission of Personal Information to only that information necessary to satisfy the other country's request. However, if one country later discovers that it transmitted or received inaccurate or outdated Personal Information, or Personal Information not required to satisfy a country's request, the country that discovers the discrepancy will correct or delete the Personal Information in question and immediately notify the Competent institution of the other country. The countries will perform such correction or deletion in accordance with their respective statutes governing alteration and destruction of information.

Both the United States and Romania agree to protect the integrity, privacy, and confidentiality of Personal Information under their respective laws when receiving or transmitting such information under this Agreement.

Article 20 provides protections for employers' confidential information, for example, information necessary to determine which country will cover a worker. It provides to any business-related information exchanged under this Agreement similar protections to those provided for Personal Information under this Agreement and under each country's national statutes.

## PRINCIPAL AGREEMENT

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## ANNOTATIONS AND COMMENTS

**Article 21**  
**Documents**

1. Where the Laws of a Contracting State provide that any document which is submitted to the Liaison Institution of that Contracting State shall be exempted, wholly or partly, from fees or charges, including consular and administrative fees, the exemption shall also apply to corresponding documents which are submitted to the Liaison Institution of the other Contracting State in the application of this Agreement.
2. Documents presented for purposes of this Agreement shall be exempted from requirements for authentication by diplomatic or consular authorities.
3. Copies of documents certified as true and exact copies by a Competent Institution of one Contracting State shall be accepted as true and exact copies by a Competent Institution of the other Contracting State, without further certification. The Competent Institution of each Contracting State shall make the final decision on the probative value of the evidence submitted to it from whatever source.

Article 21.1 states that if the Laws of one country exempt documents submitted in connection with a social security claim from fees or charges, that exemption will also apply if a country sends such documents to the other country by a claimant or beneficiary.

Some countries require that a diplomatic, consular, or other official representative in the other country certify the authenticity of documents submitted to their social security authorities by or on behalf of persons in another country. Both the United States and Romania are parties to the Hague Convention Abolishing the Requirement for Legalisation for Foreign Public Documents. Article 21.2 reaffirms that neither country will require such authentication of documents submitted under this Agreement.

If the Competent Institution of one country certifies that a copy of a document it furnishes to the Competent Institution of the other country is a true and exact copy of an original document, the other country will accept this certification. Nevertheless, each country will remain the final judge of the probative value of any documents submitted to it under this Agreement.

## PRINCIPAL AGREEMENT

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**Article 22**  
**Correspondence and Language**

1. For the purposes of applying this Agreement, the Competent Authorities and Liaison Institutions of the Contracting States may correspond in Romanian or English directly with each other and with any person, wherever the person may Reside.
2. An application or document may not be rejected solely because it is in the language of the other Contracting State.

**Article 23**  
**Applications**

1. The date that a written claim for a Benefit is submitted under the Laws of a Contracting State shall be considered to be the date that a claim for a corresponding Benefit is submitted under the Laws of the other Contracting State, provided that the claimant, at the time of application:
  - (a) requests that it be considered a claim under the Laws of the other Contracting State; or

## ANNOTATIONS AND COMMENTS

Article 22.1 authorizes direct correspondence in Romanian or English between the Competent Authorities and Liaison Institutions of the two countries and between these bodies and any person with whom they may need to communicate.

The Competent Authorities and institutions of each country may not reject an application or document because it is in the language of the other country. SSA already accepts applications and documents written in any language.

Under Article 23.1, a written application submitted to a Competent Institution of one country will protect a claimant's right to Benefits under the Laws of the other country as if the application had been presented in the other country, provided the applicant expresses an intent to file for Benefits in the other country when the application is filed.

## PRINCIPAL AGREEMENT

(b) provides information indicating that Periods of Coverage have been completed under the Laws of the other Contracting State and has not explicitly requested that the claim be restricted to Benefits under the Laws of the first Contracting State.

2. The provisions of Part III of this Agreement shall apply only to Benefits for which a claim is filed on or after the date on which this Agreement enters into force.

**Article 24  
Appeals and Time Limits**

1. A written appeal of a determination made by a Competent Institution of one Contracting State may be validly filed with a Competent Institution of either Contracting State. The appeal shall be decided according to the procedure and Laws of the Contracting State whose decision is being appealed.
2. Any claim, notice, or written appeal which, under the Laws of one Contracting State, must have been filed within a prescribed period with a Competent Institution of that Contracting State, but which is instead filed within the same period with a Competent Institution of the other Contracting State, shall be considered to have been filed on time.

## ANNOTATIONS AND COMMENTS

Because an applicant may not be fully aware of his or her Benefit rights in the other country, Article 23.1 also provides that, in the absence of an expression of intent, the application will also protect the claimant's date of filing in the other country if the applicant indicates at the time of filing that the person on whose record Benefits are claimed has been covered under social security in the other country.

Article 23.2 requires that a person claiming Benefits under this Agreement file an application on or after the date this Agreement enters into force.

Both the United States and Romania have formal procedures for appealing the determinations of their Competent Institutions. Under Article 24.1, a claimant may file a written appeal of a decision by the Competent Institution of one country with the Competent Institution of either country. The appropriate Competent Institution of the country whose decision a person is appealing will consider the appeal under its own Laws and procedures.

Article 24.2 provides that when the Laws of one country require the submission of a claim, notice, or written appeal within a set time limit, the Competent Institution of that country will consider it filed on time if the claimant files it with the Competent Institution of the other country within that prescribed time limit.

## PRINCIPAL AGREEMENT

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## ANNOTATIONS AND COMMENTS

**Article 25**  
**Transmittal of Claims, Notices, and Appeals**

In any case to which the provisions of Article 23 or Article 24 of this Agreement apply, the Competent Institution to which the claim, notice, or written appeal has been submitted shall indicate the date of receipt on the document and transmit it without delay to the Liaison Institution of the other Contracting State.

**Article 26**  
**Currency**

1. Payments under this Agreement may be made in the currency of the Contracting State making the payments.
2. In case provisions designed to restrict the exchange or export of currencies are introduced by either Contracting State, both Contracting States shall immediately take measures necessary to ensure the transfer of sums owed under this Agreement.

The Competent Institution with which an applicant files a claim, notice, or written appeal under Article 23 or 24 of this Agreement shall transmit it immediately to the Liaison Institution of the other country. The sending Competent Institution will indicate the date on which it received the document.

The Competent Institutions may pay Benefits under this Agreement in the currency of either country. The United States pays Benefits abroad in U.S. dollars or, where possible, in the local currency. Romania pays Benefits abroad in the local currency.

Should either country restrict the exchange of its currency, both Contracting States will take steps to ensure the payment of amounts due under the Agreement.

**PRINCIPAL AGREEMENT**

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**Article 27  
Resolution of Disputes**

1. Any dispute regarding the interpretation or application of this Agreement shall, if possible, be resolved by consultations between the Competent Authorities.
2. If the dispute is not resolved by consultations between the Competent Authorities, it shall be submitted to be resolved by consultations between the Contracting States through diplomatic channels.

**PART V  
Transitional and Final Provisions****Article 28  
Transitional Provisions**

1. This Agreement shall not establish any right to a Benefit for any period before the date of entry into force of this Agreement, or to a lump-sum death payment if the person died before the entry into force of this Agreement.

**ANNOTATIONS AND COMMENTS**

Article 27.1 requires the Competent Authorities to attempt to resolve any dispute between them regarding this Agreement through consultation or negotiation.

A dispute the Competent Authorities cannot resolve through consultation or negotiation may be elevated for consultations and possible resolution through diplomatic channels by the two Governments.

The Competent Institutions will pay Benefits based on the Agreement no earlier than the effective date of this Agreement. In addition, no person will be eligible to receive a lump-sum death payment if the worker died prior to the entry into force of this Agreement.

## PRINCIPAL AGREEMENT

2. Except as otherwise provided in this Agreement, in determining the right to Benefits under this Agreement, consideration shall be given to Periods of Coverage under the Laws of both Contracting States and other relevant events that occurred before the entry into force of this Agreement.
3. In applying paragraphs 1, 2, 3, 4, or 7 of Article 7 of this Agreement in the case of persons who were sent to work in the territory of a Contracting State prior to the date of entry into force of this Agreement, the period of employment or self-employment referred to in those paragraphs shall be considered to begin on the date of entry into force of this Agreement.
4. Decisions concerning entitlement to Benefits made before the entry into force of this Agreement shall not affect rights arising under it.

## ANNOTATIONS AND COMMENTS

In determining Benefit eligibility and amounts under this Agreement, Article 28.2 provides that the Competent Institutions will consider Periods of Coverage earned before this Agreement enters into force. The Competent Institutions will also consider events relevant to the determination of Benefit rights, such as marriage, death, disability, or attainment of a certain age, which happened prior to this Agreement's effective date.

However, the United States will not consider Romanian Periods of Coverage credited prior to 1937, the earliest date for which U.S. Laws permit crediting Periods of Coverage. (See Article 8.2). Additionally, the United States will not pay a lump sum death payment under this Agreement if the person on whose record a claimant files for Benefits died prior to this Agreement's entry into force. (See Article 28.1).

Article 28.3 provides that the Competent Institutions will measure the five-year period to which paragraphs 1, 2, 3, or 4 of Article 7 refer beginning no earlier than the date this Agreement enters into force. Thus, for persons to whom these provisions apply who were working in the other country before this Agreement's effective date, the prior period will not count for purposes of the five-year limit.

A decision to award or deny a claim either Competent Institution renders prior to the effective date of this Agreement will not prevent a person from filing a new application for other Benefits that may be payable because of this Agreement.

**PRINCIPAL AGREEMENT**

5. The application of this Agreement shall not result in any reduction in the amount of a Benefit to which entitlement was established prior to its entry into force.

**Article 29**  
**Duration and Termination**

1. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which written notice of its termination is given by one of the Contracting States to the other Contracting State through diplomatic channels.
2. If this Agreement is terminated, rights regarding entitlement to or payment of Benefits acquired under it shall be retained. Notwithstanding such termination, the provisions of this Agreement shall continue to apply to any claim for Benefits submitted prior to termination. The Contracting States shall consult regarding other rights in the process of being acquired.

**Article 30**  
**Entry into Force**

This Agreement shall enter into force on the first day of the fourth month following the date of the last note in which the Contracting States notify each other, through diplomatic channels, of the completion of their respective internal procedures necessary for the entry into force of this Agreement.

**ANNOTATIONS AND COMMENTS**

Article 28.5 guarantees that the entry into force of this Agreement will not result in a reduction in Benefits already payable at the time this Agreement becomes effective.

Either country can terminate this Agreement by giving written notice of termination to the other. If either country takes actions to terminate this Agreement, it will remain in effect until the expiration of one calendar year after the year in which one of the countries receives written notice of termination from the other.

If either country terminates this Agreement, a person will retain Benefit rights acquired before termination. In addition, if any person files a claim prior to this Agreement's termination, the Competent Institution of the country under whose Laws the person is applying will adjudicate the claim in accordance with the provisions of this Agreement, even if such adjudication will be made after the termination of this Agreement.

Once each country completes its internal approval process, the two governments will exchange formal instruments of approval. This Agreement will enter into force on the first day of the fourth calendar month after the month in which each government receives notification of approval from the other government.

**PRINCIPAL AGREEMENT**

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IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Agreement.

DONE at Bucharest on the 23rd of March, 2023, in duplicate, in the English and Romanian languages, both texts being equally authentic.

FOR THE UNITED STATES  
OF AMERICA :

Kathleen Kavalec  
Ambassador of the United States  
to Romania

FOR ROMANIA:

Marius-Constantin Budăi  
Minister of Labour and  
Social Protection

**ANNOTATIONS AND COMMENTS**

The U.S. Ambassador to Romania, Kathleen Kavalec, and the Romanian Minister of Labour and Social Protection, Marius-Constantin Budăi, signed the agreement on March 23, 2023 in Bucharest.

## ADMINISTRATIVE ARRANGEMENT

## ANNOTATIONS AND COMMENTS

**ADMINISTRATIVE ARRANGEMENT  
BETWEEN THE COMPETENT AUTHORITIES OF  
THE UNITED STATES OF AMERICA AND ROMANIA  
FOR THE IMPLEMENTATION OF  
THE AGREEMENT ON SOCIAL SECURITY  
BETWEEN THE UNITED STATES OF AMERICA AND  
ROMANIA**

The Competent Authority of the United States of America  
("United States") and

the Competent Authority of Romania,

In conformity with Article 16 (a) of the Agreement on Social Security  
between the United States of America and Romania, signed at  
Bucharest on the 23<sup>rd</sup> of March, 2023, hereinafter referred to as the  
"Agreement," have agreed as follows:

**CHAPTER I  
General Provisions**

**Article 1  
Definitions**

Where terms defined in the Agreement are used in this  
Administrative Arrangement, they shall have the same meaning as they  
have in the Agreement. Any terms not defined in the Agreement shall  
have the meaning assigned to them in the applicable Laws.

Article 1 provides that terms have the same meaning in this  
Administrative Arrangement as they do in the Agreement.  
Additionally, Article 1 makes clear that, as in the case of Article 1.2  
of the Agreement, any terms not defined in the Agreement shall have  
their meaning assigned in the applicable Laws described in Article 2  
of the Agreement.

## ADMINISTRATIVE ARRANGEMENT

## ANNOTATIONS AND COMMENTS

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**Article 2**  
**Liaison and Competent Institutions**

1. The Liaison Institutions defined in Article 1.1(g) of the Agreement and referred to in Article 16 (a) of the Agreement shall be:

- (a) for Romania, the National House of Public Pensions; and
- (b) for the United States, the Social Security Administration.

2. For Romania, the Competent Institution referred to in Article 1.1(d) of the Agreement shall be:

- (a) the National House of Public Pensions, for determining the applicable Laws; and
- (b) territorial houses of pensions, for granting the Benefits.

Article 2.1 designates the Liaison Institutions in each country responsible for implementing and administering the coverage and Benefit provisions of the Agreement. The United States designates the Social Security Administration as its Liaison Institution, and Romania designates the National House of Public Pensions as its counterpart Liaison Institution.

For Romania, the Competent Institution for purposes of coverage issues is the National House of Public Pensions. Provincial level offices under the auspices of the National House of Public Pensions are the Competent Institutions for purposes of Benefits.

## ADMINISTRATIVE ARRANGEMENT

3. The Liaison Institutions designated in paragraph 1 of this Article shall decide upon the joint procedures, methods, and forms necessary for the implementation of the Agreement and this Administrative Arrangement.
4. The Competent Authorities shall notify each other without delay, in writing, of any changes in the names of the Liaison Institutions or Competent Institutions without the need to modify this Administrative Arrangement.

**CHAPTER II**  
**Provisions on Coverage**

**Article 3**  
**Certificates of Coverage**

1. Where a person, who would be dually covered absent the Agreement, is subject exclusively to the Laws of one Contracting State in accordance with any of the provisions of Article 6 or 7 of the Agreement, the Competent Institution of that Contracting State, upon request of the interested employee, employer, or self-employed person, shall issue a certificate stating that the employee or self-employed person is subject to those Laws and indicating the duration for which the certificate shall be valid. This certificate shall be evidence that the employee or self-employed person is exempt from the Laws on compulsory coverage of the other Contracting State.

## ANNOTATIONS AND COMMENTS

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Article 2.3 authorizes and requires the Liaison Institutions of both countries to agree upon those procedures, methods and forms they will use for the implementation of the Agreement and this Administrative Arrangement

Under Article 2.4, the two countries can notify each other of changes in the names of their respective Liaison Institutions and Competent Institutions without amending this Administrative Arrangement.

Under Article 3.1, the Competent Institution of the country whose social security coverage Laws will continue to apply to a person in accordance with the rules in Part II of the Agreement will issue a certificate to that effect when an employee, employer, or self-employed person requests one. Employees, employers, and self-employed persons should request certificates before work begins in the other country, whenever possible. The certificate will serve as evidence of the exemption of the person from the coverage Laws of the other country when provided to the Liaison Institution of the other country.

## ADMINISTRATIVE ARRANGEMENT

2. The certificate referred to in paragraph 1 of this Article shall be issued by the Competent Institution.
3. The Competent Institution of a Contracting State that issues a certificate referred to in paragraph 1 of this Article shall furnish a copy of the certificate or mutually decided upon information from the certificate to the Competent Institution of the other Contracting State.
4. The person to whom a certificate attesting the applicable Laws has been issued by one Contracting State should keep the certificate during the activity performed in the territory of the other Contracting State, in order to present it, if necessary, to the authorities of the latter Contracting State.
5. For the implementation of paragraph 7 of Article 7 of the Agreement, the Competent Institution of the Contracting State whose Laws are to be applied shall request the approval of the Competent Institution of the other Contracting State. Upon receipt of the approval, the Competent Institution whose Laws continue to apply shall issue the certificate.

## ANNOTATIONS AND COMMENTS

The Social Security Administration (United States) and the National House of Public Pensions (Romania) will issue coverage certificates.

Article 3.3 provides that the Competent Institution issuing a coverage certificate will furnish a copy of the certificate or information from the certificate to the Competent Institution in the other country when needed.

This provision states that a person should retain a copy of any certificate issued pursuant to paragraph 2 of this Article to present it as proof of his or her exemption from social security taxes in either country.

Under Article 3.5, a Competent Institution may grant a special exception under Article 7.7 of the Agreement only after writing to and receiving approval from the Competent Institution of the other Contracting State.

**CHAPTER III**  
**Provisions on Benefits**

**Article 4**  
**Processing of Claims for Benefits**

1. Claims for Benefits under the Agreement shall be submitted on mutually decided forms.
2. If a Competent Institution of one Contracting State receives a claim for a Benefit under the Laws of the other Contracting State, it shall, without delay, send the claim to the Liaison Institution of the other Contracting State, indicating the date on which the claim was received.
3. Along with any claim, the Liaison Institution of one Contracting State shall also transmit to the Liaison Institution of the other Contracting State any documentation, evidence, and other information in its possession which may be necessary for the Competent Institution of the other Contracting State to establish the claimant's eligibility for a Benefit, including documents attesting Periods of Coverage completed by the claimant.

The U.S. and Romanian Liaison Institutions will agree on special application forms that people who wish to file for Benefits based on the Agreement will use.

Articles 4.2 and 4.3 outline the procedures to be followed by both countries for the exchange of pertinent information needed to process claims filed under the Agreement.

## ADMINISTRATIVE ARRANGEMENT

## ANNOTATIONS AND COMMENTS

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4. The information contained in the claim regarding a person shall be verified by the transmitting Liaison Institution, which shall confirm that the information is corroborated by documentary evidence; the transmission of the form so verified shall exempt the Liaison Institution from sending the supporting documents. The type of information to which this paragraph applies shall be mutually decided upon by the Liaison Institutions.
  
5. The Liaison Institution of one Contracting State shall, upon request, provide to the Liaison Institution of the other Contracting State any available information, evidence, and documentation in its possession concerning a claim or a beneficiary.

Article 4.4 deals with the verification of claims information. Both U.S. and Romanian Laws require verification of certain information about people claiming Benefits (e.g., age and family relationship to the worker) before either country can approve the claim. Article 4.4 provides that when a person files a claim for Benefits under the Agreement in one country, the Competent Institution of that country will verify the relevant information and inform the Liaison Institution of the other country of its findings. The Liaison Institutions will agree upon the specific types of information requiring verification.

This provision expedites the claims process by avoiding duplicate verification of the same information. A Competent Institution may still request additional evidence to support the finding of the other Competent Institution.

Article 4.5 provides that the Liaison Institution of one country will, upon request, furnish claims-related information to the Liaison Institution of the other country in accordance with agreed upon procedures. Such procedures will be agreed upon by the Competent Institutions and will be consistent with the governing statutes of both countries.

## ADMINISTRATIVE ARRANGEMENT

## ANNOTATIONS AND COMMENTS

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**Article 5**  
**Payment of Benefits**

1. The Competent Institution of either Contracting State shall pay Benefits directly to the beneficiary or a person entitled to receive such Benefits on behalf of a beneficiary under the national statutes of the Contracting State making the payments, regardless of the Contracting State where the person Resides.
2. The Competent Institution of each Contracting State shall determine the procedure for exporting Benefits in accordance with its own national statutes and the Agreement.
3. If the Competent Institution of a Contracting State requests evidence that a beneficiary is still alive, and that evidence is not presented within the required time provided for in the Laws of that Contracting State, that Competent Institution may suspend payment of the Benefit until the submission of such evidence.

Article 5.1 provides that both countries will only pay benefits under the Agreement to either the beneficiary or a legally appointed representative of the beneficiary. Such payments must be made solely in accordance with the laws of the country making the payments, not the country in which the beneficiary or his or her representative resides.

Under Article 5.2, each country retains its own administrative procedures for exporting Benefits. In addition, the provisions of this Agreement providing for the export of Benefits shall apply to both Contracting States.

Article 5.3 stipulates that if the Competent Institution of either Contracting State requests information or evidence that a beneficiary is alive, and the beneficiary does not respond to the request in a timely manner, that Competent Institution may suspend the person's Benefits. This is already the established procedure for beneficiaries residing outside the United States.

## ADMINISTRATIVE ARRANGEMENT

## ANNOTATIONS AND COMMENTS

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**CHAPTER IV  
Miscellaneous Provisions****Article 6  
Administrative Cooperation**

1. In accordance with measures mentioned in paragraph 3 of Article 2 of this Administrative Arrangement, the Liaison Institution of one Contracting State shall, upon request by the Liaison Institution of the other Contracting State, furnish available information in its possession relating to the claim of any specified individual for the purpose of implementing the Agreement.
2. The Liaison Institutions may consult and decide on measures to facilitate the implementation of the Agreement and this Administrative Arrangement, including the electronic exchange of data.

Article 6.1 provides that the Liaison Institution of one country will, upon request, furnish claims related information to the Liaison Institution of the other country in accordance with agreed upon procedures. Such procedures will be decided upon by the Liaison Institutions and will be consistent with the governing statutes of both countries.

Under Article 6.2, the Liaison Institutions of both countries may choose to implement electronic data exchanges to facilitate administration of the Agreement and this Administrative Arrangement. Such exchanges must comply with the laws of each country governing the protection of privacy and confidentiality of Personal Information.

## ADMINISTRATIVE ARRANGEMENT

## ANNOTATIONS AND COMMENTS

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**Article 7**  
**Transmission of Statistical Data**

The Liaison Institutions shall exchange statistics on the number of certificates issued under Article 3 of this Administrative Arrangement and on the payments made to beneficiaries under the Agreement. These statistics shall be furnished in a manner to be decided upon by the Liaison Institutions.

**Article 8**  
**Reimbursement of Expenses**

1. The Liaison Institutions shall provide administrative assistance requested under Article 17 of the Agreement without charge if the expenses incurred fall within regular personnel and operating costs. For all other cases, the Liaison Institutions may decide on reimbursement.
2. Upon request, the Liaison Institution of either Contracting State shall furnish without cost and without delay to the Liaison Institution of the other Contracting State any medical information and documentation in its possession relevant to the disability of the claimant or beneficiary.

Article 7 provides for an exchange of statistics concerning certificates issued pursuant to Article 3.1 of this Administrative Arrangement and payments made to beneficiaries under the Agreement.

Under Article 8.1, the requesting Liaison Institution will pay expenses the other Liaison Institution incurs in responding to requests for administrative assistance that require it to go outside its own organization unless the two countries agree on a different arrangement. This includes hiring interpreters, conducting special field investigations, or arranging medical examinations. The Liaison Institutions will not reimburse expenses for regular personnel and operating costs.

When the Liaison Institution in one country requests medical information from the Liaison Institution in the other country, the other Liaison Institution will provide the requesting Liaison Institution with any pertinent medical records it has in its possession free of charge.

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- 3. The Competent Institution of one Contracting State shall reimburse amounts owed under paragraph 1 of this Article or Article 18 of the Agreement upon presentation of a statement of expenses by the Competent Institution of the other Contracting State.

In order to receive reimbursement for the cost of administrative assistance, the Competent Institution that provides the assistance must provide the requesting Competent Institution with a statement of expenses.

**Article 9**  
**Entry into Force**

This Administrative Arrangement shall enter into force on the date of entry into force of the Agreement and remain in force as long as the Agreement is in force.

This Administrative Arrangement will enter into force on the same date as the Agreement and will remain in effect for the same period as the Agreement.

DONE at Bucharest on the 23<sup>rd</sup> of March 2023, in duplicate in the English and Romanian languages, both texts being equally authentic.

FOR THE COMPETENT  
AUTHORITY OF THE  
UNITED STATES OF AMERICA

FOR THE COMPETENT  
AUTHORITY OF  
ROMANIA

Kathleen Kavalec  
Ambassador of the United States  
to Romania

Marius-Constantin Budăi  
Minister of Labour and  
Social Protection

