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SUPPLEMENTARY AGREEMENT AMENDING THE AGREEMENT ON SOCIAL SECURITY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A SUPPLEMENTARY AGREEMENT AMENDING THE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ON SOCIAL SECURITY (THE SUPPLEMENTARY AGREEMENT), WHICH CONSISTS OF TWO SEPARATE INSTRUMENTS: A PRINCIPAL AGREEMENT AND AN ADMINISTRATIVE ARRANGEMENT. THE SUPPLEMENTARY AGREEMENT, SIGNED AT LONDON ON JUNE 6, 1996, IS INTENDED TO MODIFY CERTAIN PROVISIONS OF THE ORIGINAL UNITED STATES-UNITED KINGDOM SOCIAL SECURITY AGREEMENT, SIGNED AT LONDON FEBRUARY 13, 1984, PURSUANT TO 42 U.S.C. 433(e)(1)

FEBRUARY 25, 1997.—Message and accompanying papers referred to the Committee on Ways and Means and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE
39–011 WASHINGTON : 1997

To the Congress of the United States:

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 the Supplementary Agreement Amending the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland on Social Security (the Supplementary Agreement), which consists of two separate instruments: a principal agreement and an administrative arrangement. The Supplementary Agreement, signed at London on June 6, 1996, is intended to modify certain provisions of the original United States-United Kingdom Social Security Agreement signed at London February 13, 1984.

The United States-United Kingdom Social Security Agreement is similar in objective to the social security agreements with Austria, Belgium, Canada, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, and Switzerland. Such bilateral agreements provide for limited coordination between the U.S. and foreign social security systems to eliminate dual social security coverage and taxation, and to help prevent the loss of benefit protection that can occur when workers divide their careers between two countries.

The Supplementary Agreement, which would amend the 1984 Agreement to update and clarify several of its provisions, is necessitated by changes that have occurred in U.S. and English law in recent years. Among other things, the Supplementary Agreement removes certain restrictions in the original agreement concerning payment of UK disability benefits to residents of the United States. The Supplementary Agreement will also make a number of minor revisions in the Agreement to take account of other changes in U.S. and English law that have occurred in recent years.

The United States-United Kingdom Social Security Agreement, as amended, would continue to contain all provisions mandated by section 233 and other provisions that I deem appropriate to carry out the provisions of section 233, pursuant to section 233(c)(4) of the Act.

I also transmit for the information of the Congress a report prepared by the Social Security Administration explaining the key points of the Supplementary Agreement, along with a paragraph-by-paragraph explanation of the effect of the amendments on the principal agreement and the related administrative arrangement. Annexed to this report is the report required by section 233(e)(1) of the Act on the effect of the Agreement, as amended, on income and expenditures of the U.S. Social Security program and the number of individuals affected by the amended Agreement. The Department of State and the Social Security Administration have rec-

ommended the Supplemental Agreement and related documents to me.

I commend the United States-United Kingdom Supplementary Social Security Agreement and related documents.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 25, 1997.*

SUPPLEMENTARY AGREEMENT AMENDING THE AGREEMENT ON SOCIAL SECURITY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland;

Having considered the Agreement on Social Security which was signed on their behalf at London on 13 February 1984 (hereinafter referred to as "the Agreement");

Having recognised the need to revise certain provisions of the Agreement;

Have agreed as follows:

Article 1

(1) Article 1 of the Agreement shall be revised as follows:

(a) Paragraph 1 shall be revised to read as follows:

"1. "Territory" means,

as regards the United States, the States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands, and

as regards the United Kingdom, England, Scotland, Wales, Northern Ireland, and also the Isle of Man, the Island of Jersey, and the Islands of Guernsey, Alderney, Herm and Jethou; and references to the

"United Kingdom" or to "territory" in relation to the United Kingdom shall include the Isle of Man, the Island of Jersey, and the Islands of Guernsey, Alderney, Herm and Jethou where appropriate;".

(b) Paragraph 3 shall be revised to read as follows:

"3. "Competent Authority" means,

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

as regards the United Kingdom, the Department of Social Security for Great Britain, the Department of Health and Social Services for Northern Ireland, the Department of Health and Social Security of the Isle of Man, the Employment and Social Security Committee of the States of the Island of Jersey or the Guernsey Social Security Authority as the case may require;".

(c) Paragraph 7 shall be revised to read as follows:

"7. As regards the United Kingdom:

(a) "insurance period" means,

a contribution period or an equivalent period;

(b) "contribution period" means,

a period in respect of which contributions appropriate to the benefit in question are payable, have been paid or treated as paid;

(c) "equivalent period" means,

a period for which contributions appropriate to the benefit in question have been credited;

(d) "survivor's benefit" means,

widow's allowance, widow's payment, widowed mother's allowance and widow's pension;

(e) "child's survivor benefit" means,

guardian's allowance and child's special allowance;

(f) "laws on coverage" means,

the laws and regulations relating to the imposition of liability for the payment of social security contributions;

(g) "qualifying period" for invalidity benefit means,

(i) a period of incapacity of 364 days under the laws of Great Britain, Northern Ireland or the Isle of Man, or

(ii) a period of incapacity of 364 days under the laws of Jersey, or

(iii) a period of incapacity of 156 days, excluding Sundays, under the laws of Guernsey;

(h) "first contribution condition" means,

(i) under the laws of Great Britain, Northern Ireland or the Isle of Man, that a person has paid at least 52 Class I or Class II contributions at any time before 6 April 1975, or has paid, in one contribution year, Class I or Class II contributions producing

an earnings factor of at least 50 times that year's lower earnings limit in a tax year beginning on or after 6 April 1975, or

(ii) under the laws of Jersey, that a person has paid contributions prior to the end of the relevant quarter and the annual contribution factor derived from these contributions is not less than 0.25, or

(iii) under the laws of Guernsey, that a person has paid at least 26 reckonable contributions since 4 January 1965 or the date of his entry into the Guernsey scheme;

(i) "second contribution condition" means,

(i) under the laws of Great Britain, Northern Ireland or the Isle of Man, that a person has either paid or been credited with Class I or Class II contributions producing an earnings factor of at least 50 times the lower earnings limit in each of the last 2 complete contribution years before the relevant benefit year, or

(ii) under the laws of Jersey, that a person has paid or been credited with contributions in respect of the relevant quarter and the quarterly contribution factor derived from those contributions is 1.00, or

(iii) under the laws of Guernsey, that a person has paid or been credited with at least 26 reckonable contributions in the relevant contribution year;

(j) a "qualifying year" means,

(i) at least 50 weeks of insurance for periods before 6 April 1975, or that the person has received, or been treated as having received, earnings of at least 52 times the lower earnings limit in a tax year after 5

April 1978 under the laws of Great Britain, Northern Ireland and the Isle of Man, or

(ii) an annual contribution factor of 1.00 under the laws of Jersey, or

(iii) 50 weeks under the laws of Guernsey;

(k) a "reckonable year" means a tax year between 6 April 1975 and 5 April 1978 during which contributions have been paid on earnings received (or treated as received) of at least 50 times the lower earnings limit for that year;

(l) "prescribed period" means, in relation to Jersey and Guernsey, the period commencing on the same date under the laws of Jersey or Guernsey, as the case may be, as the relevant period for the purposes of old age pension and ending on 31 December next preceding the date on which entitlement to invalidity benefit first arose;

(m) "sickness benefit" means,

(i) short-term incapacity benefit at the lower, higher or long-term rate payable under the legislation of Great Britain, Northern Ireland or the Isle of Man, or

(ii) sickness benefit payable under the legislation of Jersey or Guernsey;

(n) "invalidity benefit" means,

(i) long-term incapacity benefit, additional pension, invalidity allowance and incapacity age addition payable under the legislation of Great Britain, Northern Ireland or the Isle of Man, or

(ii) invalidity benefit payable under the legislation of Jersey or Guernsey.".

(2) In paragraph 1(a)(ii) of Article 2 of the Agreement, "1954" shall be replaced by "1986".

(3) Paragraph 1(b) of Article 2 of the Agreement shall be revised to read as follows:

"(b) As regards the United Kingdom,

(i) the Social Security Administration Act 1992, the Social Security Contributions and Benefits Act 1992, the Social Security (Consequential Provisions) Act 1992 and the Social Security (Incapacity for Work) Act 1994;

(ii) the Social Security Administration (Northern Ireland) Act 1992, the Social Security Contributions and Benefits (Northern Ireland) Act 1992, the Social Security (Consequential Provisions) (Northern Ireland) Act 1992 and the Social Security (Incapacity for Work) (Northern Ireland) Order 1994;

(iii) the Social Security Administration Act 1992, the Social Security Contributions and Benefits Act 1992, the Social Security (Consequential Provisions) Act 1992 and the Social Security (Incapacity for Work) Act 1994 (Acts of Parliament) as those Acts apply to the Isle of Man by virtue of Orders made, or having effect as if made, under the Social Security Act 1982 (an Act of Tynwald);

(iv) the Social Security (Jersey) Law, 1974;

(v) the Social Insurance (Guernsey) Law, 1978;

and the laws which were repealed or consolidated by those Acts, Laws or Orders or repealed by legislation consolidated by them.".

(4) In paragraph 2 of Article 4 of the Agreement, the word "normally" shall be added immediately before the words "employed by".

(5) Article 4 paragraph 3 of the Agreement shall be revised to read as follows:

"3. A person who is covered under the laws on coverage of either Party with respect to self-employment shall be subject only to the laws on coverage of the Party in whose territory he ordinarily resides.".

(6) Article 7 paragraph 2 of the Agreement shall be revised to read as follows:

"2. Subject to the provisions of paragraph 3 of this Article and the provisions of Article 14, a person who

would be entitled to receive an old age pension, a retirement pension, a survivor's benefit or invalidity benefit under the laws of the United Kingdom if he were in the United Kingdom shall be entitled to receive that pension or benefit while he ordinarily resides in the territory of the United States, as if he were in the United Kingdom.".

(7) Article 11 paragraph 3 of the Agreement shall be revised to read as follows:

"3. Where the periods of coverage completed by a person under the laws of:

(i) either Great Britain, Northern Ireland or the Isle of Man amount to less than one reckonable year, or, as the case may be, qualifying year, or relate only to periods before 6 April 1975 and in aggregate amount to less than 50 weeks, or

(ii) Jersey amount to less than an annual contribution factor of 1.00, or

(iii) Guernsey amount to less than 50 weeks,

those periods shall be aggregated as if they had all been completed under the laws of any part of the territory of the United Kingdom under which a pension is payable or would be payable if the periods were aggregated, or, where two such pensions are or would be payable, under the laws of that part which, at the date on which entitlement first arose or arises, is paying or would pay the greater amount. Where the aggregate of the periods of coverage is less than one qualifying year or reckonable year, this Article and Article 9 shall not apply.".

(8) Article 14 of the Agreement shall be revised to read as follows:

"1. The provisions of paragraphs 2 to 5 of this Article shall apply to claims for invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man.

2. A person who has satisfied the first contribution condition for sickness benefit as defined in Article 1 using contributions under the laws of Great Britain, Northern Ireland or the Isle of Man only, who is in the territory of the United States and is not subject to the laws on coverage of Great Britain, Northern Ireland or the Isle of Man under Articles 4,5 or 6 of this Agreement, shall be entitled to receive invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man provided that:

(a) the second contribution condition for sickness benefit under the laws of the United Kingdom is satisfied using relevant periods of coverage under the laws of the United Kingdom and, if necessary, the United States, and

(b) the person is incapacitated for work and has been so incapacitated throughout the qualifying period for invalidity benefit, in which case the person shall be treated as if sickness benefit followed by invalidity benefit, under the laws of Great Britain, Northern Ireland or the Isle of Man, had been paid throughout that period of incapacity.

For the purposes of sub-paragraph (a), a person will be considered to meet the second contribution condition if he is credited with at least 2 quarters of coverage under the laws of the United States in each of the last 2 complete contribution years before the relevant benefit year. The

relevant Competent Authority of Great Britain, Northern Ireland or the Isle of Man will reallocate any quarter of coverage credited to a person under the laws of the United States within a calendar year to any other calendar quarter within that year if it is needed to satisfy the second contribution condition in a relevant contribution year, as long as it has not been used to satisfy the second contribution condition in any other relevant contribution year.

The rate of the invalidity benefit payable shall be that which would be paid under the laws of Great Britain, Northern Ireland or the Isle of Man without the application of this Agreement unless a disability benefit under the laws of the United States is in payment, whether or not under the provisions of this Agreement, in which case the rate of invalidity benefit payable shall be determined in accordance with the provisions of paragraph 3 of this Article.

3. Taking account of sub-paragraphs (a) and (b) of this paragraph, the relevant Agency of Great Britain, Northern Ireland or the Isle of Man shall ascertain the proportion of invalidity benefit provided under its laws in the same ratio as the total of the periods of coverage completed under its laws bears to the total periods of coverage completed under the laws of both Parties.

(a) The provisions of paragraphs 1, 2 and 5 of Article 9 and the provisions of paragraphs 4, 6 and 7 of Article 11 of this Agreement shall apply to periods of coverage credited under the laws of the United States as if the references in those Articles to an old age pension, a retirement pension or a pension were references to invalidity benefit.

(b) For the purpose of calculating the proportion of benefit referred to above, no account shall be taken of any period of coverage completed after the day on which a person's incapacity commenced.

The amount of benefit calculated in accordance with the above provisions of this paragraph shall be the amount of invalidity benefit actually payable to that person.

4. Where a person in the territory of Great Britain, Northern Ireland or the Isle of Man, or a person outside the territory of Great Britain, Northern Ireland or the Isle of Man who is entitled to an invalidity benefit under the relevant legislation other than under paragraph 2 of this Article, is in receipt of invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man and also is in receipt of a disability benefit under the laws of the United States, whether or not under the provisions of this Agreement, the rate of invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man shall be determined in accordance with the provisions of paragraphs 3 and 5 of this Article.

5. Where a person to whom the provisions of paragraph 4 apply:

(a) would have been entitled to receive invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man, without recourse to this Agreement; and

(b) is entitled to receive both invalidity benefit under paragraph 3 and a disability benefit under the laws of the United States, whether or not under the provisions of this Agreement, and the sum of these two benefits is less than the

amount of invalidity benefit to which the person would otherwise have been entitled under (a);

the competent authority of Great Britain, Northern Ireland or the Isle of Man shall calculate the difference between the amounts of benefit calculated in accordance with sub-paragraphs (a) and (b), on the date that entitlement to invalidity benefit payable under paragraph 3 first arose, and shall pay that amount in addition to the invalidity benefit payable. The additional sum will remain in payment under the same conditions as the invalidity benefit and subject to the equivalent increases in amount, as appropriate.

6. Notwithstanding any other provision of this Agreement, invalidity benefit shall be payable under the laws of Jersey only in accordance with the provisions of paragraphs 7 to 9 of this Article.

7. For the purpose of qualifying for invalidity benefit, a person who is in the territory of the United States and

(a) has satisfied the first contribution condition for invalidity benefit using contributions under the laws of Jersey only; and

(b) has satisfied the second contribution condition for invalidity benefit using relevant periods of coverage under the laws of either Party; and

(c) is incapable of work, and has been so incapable throughout the qualifying period for invalidity benefit;

shall be treated as if he had been entitled to sickness benefit throughout that period.

For the purposes of sub-paragraph (b), a person will be considered to meet the second contribution condition if he is credited with at least 2 quarters of coverage under the laws of the United States in each of the last 2 complete calendar years before the calendar year in which the claim for benefit was made.

8. Where a person has satisfied the conditions set out in paragraph 7, the Competent Authority of Jersey shall determine the actual rate of invalidity benefit payable as the amount that bears the same relation to the standard rate of benefit as the life average contribution factor during the prescribed period bears to 1.00, except that no benefit shall be payable where the factor is less than 0.1.

9. Where a person who is in Jersey is entitled to invalidity benefit under the laws of Jersey, that benefit shall be payable.

10. Notwithstanding any other provision of this Agreement, invalidity benefit shall be payable under the laws of Guernsey only in accordance with the provisions of paragraphs 11 to 13 of this Article.

11. For the purpose of qualifying for invalidity benefit, a person who is in the territory of the United States or Guernsey and

(a) has satisfied the first contribution condition for sickness benefit using contributions under the laws of Guernsey only; and

(b) has satisfied the second contribution condition for sickness benefit using relevant periods of coverage under the laws of either Party; and

(c) is incapable of work, and has been so incapable throughout the qualifying period for invalidity benefit;

shall be treated as if he had been entitled to sickness benefit throughout that period.

For the purpose of sub-paragraph (b), each quarter of coverage credited under the laws of the United States in the relevant contribution year shall be treated as if it had been a contribution period of thirteen weeks completed as an employed or self-employed person in the relevant contribution year.

12. Where a person has satisfied the conditions set out in paragraph 11, the Competent Authority of Guernsey shall:

(a) deem the contribution conditions for the payment of invalidity benefit satisfied provided that the periods of coverage under the laws of Guernsey total one qualifying year; and

(b) calculate the amount of invalidity benefit to be paid, subject to paragraph 13, as being the proportion, not exceeding 100%, of the standard rate which the total number of contributions paid or credited in Guernsey during the prescribed period bears to the product of the number of years in that period and fifty: save that if the amount so calculated is less than one-twentieth of the standard rate, no benefit shall be payable.

13. Where a person is in Guernsey and

(a) is entitled to invalidity benefit under the laws of Guernsey solely through the

application of paragraphs 11 and 12, or has been entitled to such a benefit in relation to the claim in question solely through the application of those paragraphs; and

(b) is in receipt of a disability benefit under the laws of the United States, whether or not by virtue of this Agreement;

the amount of the invalidity benefit payable under the laws of Guernsey shall be reduced by the amount by which the aggregate of both benefits exceeds the standard rate of invalidity benefit under the laws of Guernsey.

14. No person in relation to whom invalidity benefit is payable under the provisions of this Agreement shall receive a contribution credit from Jersey or Guernsey unless present in Jersey or Guernsey, as the case may be.

15. Where a person's periods of coverage under the laws of a part of the United Kingdom total less than one qualifying year, or one reckonable year, these periods shall be aggregated as if they had all been completed under the laws of any part of the territory of the United Kingdom under which a sickness benefit or an invalidity benefit is payable or would be payable if the periods were aggregated, or, where two such benefits are or would be payable, under the laws of that part which, at the date on which entitlement first arose or arises, is paying or would pay the greater amount. Where the aggregate of the periods of coverage is less than one qualifying year, or one reckonable year, this Article shall not apply.

16. Notwithstanding any other provision of this Article, a person in the territory of the United States who is subject to the laws on coverage of the United Kingdom by virtue of any of the Articles 4 to 6 of this Agreement and who

satisfies the contribution conditions applicable to sickness benefit under those laws shall, for the purpose of determining his entitlement to invalidity benefit under those laws:

(a) be treated as if he were in the territory of the United Kingdom; and

(b) each day of incapacity for work while in the territory of the United States may, where appropriate, be treated as if it were a day for which he had received sickness benefit under the laws of the United Kingdom.

17. Any restriction which would otherwise be applicable under the laws of the United Kingdom in the rate of benefit payable to persons who are not ordinarily resident in the territory of the United Kingdom shall not apply to persons in the territory of the United States who are in receipt of invalidity benefit under the laws of the United Kingdom by virtue of the provisions of this Agreement.".

(9) Article 21 paragraph 2 of the Agreement shall be revised to read as follows:

"2. If a disagreement cannot be resolved through negotiation, the Competent Authorities will endeavour to settle the issue through arbitration, mediation, or other mutually agreed procedure.".

Article 2

The application of this Supplementary 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 3

This Supplementary Agreement shall enter into force on the first day of the third month following the month in which both Governments shall have informed each other by a formal exchange of notes that the steps necessary under their national statutes to enable the Supplementary Agreement to take effect have been taken.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed this Supplementary Agreement.

DONE in duplicate at London on 6th June 1996.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Timothy E Deal

FOR THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:

Michael Jack

SUPPLEMENTARY ADMINISTRATIVE AGREEMENT AMENDING THE ADMINISTRATIVE AGREEMENT FOR THE IMPLEMENTATION OF THE AGREEMENT ON SOCIAL SECURITY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland;

In accordance with Article 15(a) of the Agreement on Social Security between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America signed on their behalf at London on 13th February 1984 (hereinafter referred to as "the Agreement") as amended by the Supplementary Agreement of this date;

Have agreed to amend the Administrative Agreement for the implementation of the Agreement as follows:-

Article 1

(1) Article 2 paragraph 1 of the Administrative Agreement shall be revised to read as follows:

"1. The liaison agencies referred to in Article 15 of the Agreement shall be:

(a) for the United States,

the Social Security Administration,

(b) for the United Kingdom,

(i) in Great Britain,

For all contingencies except Articles 4 to 6 of the Agreement and the provision of United Kingdom insurance records for Disability Benefit,

Department of Social Security
Pensions and Overseas Benefits Directorate
Tyneview Park
Whitley Road, Benton
Newcastle upon Tyne
England
NE98 1BA

For Articles 4 to 6 of the Agreement and to provide United Kingdom insurance records for Disability Benefit,

Contributions Agency
International Services
Longbenton
Newcastle upon Tyne
England
NE98 1YX

(ii) in Northern Ireland,

Social Security Agency
Overseas Branch
Commonwealth House
Castle Street
Belfast
Northern Ireland
BT1 1DX

(iii) in the Isle of Man,

Department of Health and Social Security
Markwell House
Market Street
Douglas
Isle of Man
IM1 2RZ

(iv) in Jersey,

Employment and Social Security Department
Philip Le Feuvre House
La Motte Street
St Helier
Jersey
Channel Islands
JE4 8PE

(v) in Guernsey,

Guernsey Social Security Authority
Edward T Wheadon House
Le Truchot
St Peter Port
Guernsey
Channel Islands
GY1 3WH.".

(2) Article 9 paragraph 1 of the Administrative Agreement shall be revised by adding the following sentence at the end thereof:

"However, the Agencies of the two Parties may agree on a different allocation of expenses for medical examinations arranged under this paragraph.".

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Article 2

This Supplementary Administrative Agreement shall enter into force on the date of entry into force of the Supplementary Agreement of this date amending the Agreement.

DONE at London on 6 June 1996 in duplicate.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Timothy E. Wirth

FOR THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:

Brian Nancy

REPORT TO CONGRESS TO ACCOMPANY
THE SUPPLEMENTARY SOCIAL SECURITY AGREEMENT
BETWEEN THE UNITED STATES AND THE UNITED KINGDOM

INTRODUCTION

The supplementary Social Security agreement between the United States and the United Kingdom is intended to modify certain provisions of the original U.S.-U.K. Social Security agreement (TIAS 11086) that the two countries signed on February 13, 1984. All provisions of the original agreement, except certain provisions on benefit payments, entered into force on January 1, 1985. The benefit provisions of the original agreement entered into force on January 1, 1988. The supplementary agreement, like the original agreement, was negotiated under authority of section 233 of the Social Security Act.

U.S.-U.K. Social Security Agreement

The Social Security agreement between the United States and the United Kingdom is one of 17 bilateral agreements the United States has concluded with foreign countries to provide limited coordination of the U.S. old-age, survivors, and disability insurance (OASDI) program with the comparable programs of the other countries. Like the other agreements, the U.S.-U.K. agreement has two main purposes. First, it eliminates dual Social Security coverage and taxation, the situation that occurs when a worker from one country works in the other country and is required to pay Social Security taxes to both countries on the same earnings. Each agreement includes rules that assign a worker's Social Security coverage and tax liability to just one country.

Second, the agreement helps prevent gaps in Social Security benefit protection for workers who divide their careers between the two countries. Under the agreement, workers may qualify for partial U.S. or U.K. benefits based on "totalized" (i.e., combined) work credits from both countries.

Supplementary Agreement

The supplementary agreement, which was signed by representatives of the U.S. and U.K. Governments on June 6, 1996, would amend the original agreement to update and clarify several of its provisions. The amendments are necessary, in part, to take account of changes in U.S. and U.K. law that have occurred since the original agreement was implemented. The primary purpose of the supplementary agreement, however, is to remove certain restrictions in the original agreement on the payment of U.K. disability benefits to residents of the United States.

The supplementary agreement, which is now being transmitted to Congress for review in accordance with section 233(e) of the Social Security Act, consists of two instruments:

(1) a supplementary agreement revising the original U.S.-U.K. agreement; and

(2) a supplementary administrative agreement which revises the original administrative agreement signed February 13, 1984, for implementation of the agreement.

Accompanying this report is a paragraph-by-paragraph explanation of the supplementary agreement and supplementary administrative agreement (Annex A) and the estimate required by section 233(e)(1) on the effect of the supplementary agreement on income and expenditures of the U.S. Social Security program (Annex B). Also included is a composite version of the original agreement and administrative agreement marked to show the changes that will be made as a result of the supplementary agreement (Annex C).

MAIN PROVISIONS

U.K. Disability Provisions

To qualify for long-term incapacity benefits under U.K. law, a worker must have been incapacitated for a continuous period of at least 1 year (28 weeks under the law in effect prior to April 13, 1995) and must be a resident of the United Kingdom. Although the existing U.S.-U.K. agreement allows persons in the United States to qualify for U.K. incapacity benefits, the eligibility requirements stipulated in the agreement are very restrictive. The supplementary agreement would liberalize these requirements.

Under the existing agreement, a person in the United States can qualify for U.K. long-term incapacity benefits if he or she:

- is not entitled to a U.S. disability benefit based on work credits under U.S. Social Security;

- has earned 4 quarters of coverage under the U.S. system during the 2-year period preceding disability onset and has earned at least 1 quarter of coverage since arriving in the United States;

- met the minimum coverage requirements for U.K. incapacity benefits at the time the worker left the United Kingdom; and

- has not been absent from the United Kingdom for more than 5 years between the end of the year in which the worker was last covered under U.K. Social Security and the date of disability onset.

Under the more liberal provisions of the supplementary agreement, a person in the United States will be eligible to receive U.K. disability benefits if he or she:

- has paid contributions equivalent to about one year of coverage under U.K. law; and

- has paid or been credited with U.K. contributions equivalent to a year of coverage in each of the last 2 years, or has 2 quarters of U.S. coverage in each of those years.

A person who meets these requirements and is not receiving a disability benefit from the United States will receive the full U.K. benefit. If the person is receiving a U.S. disability benefit, only a partial U.K. benefit will be paid in proportion to the duration of the person's U.K. coverage.

The supplementary agreement also improves disability benefit protection for people who live in the United Kingdom. Under the existing agreement, a person in the United Kingdom cannot qualify for a U.K. disability benefit if he or she receives a U.S. benefit (other than a partial benefit based on totalization) and has resided in the United Kingdom less than 5 years prior to disability onset. Under the supplementary agreement, persons in the United Kingdom who are receiving U.S. disability benefits will be able to qualify for partial U.K. disability benefits without regard to the duration of their U.K. residence. In these cases, the U.K. benefit amount will be proportional to the duration of their U.K. coverage.

The supplementary agreement includes slightly different disability benefit provisions applicable to the Islands of Jersey and Guernsey, which have their own separate Social Security systems.

U.K. Minimum Coverage Requirement

Under the original agreement, the United States is not required to count U.K. periods of coverage for purposes of determining benefit eligibility unless the worker has earned at least 6 quarters of U.S. coverage. This provision is intended to avoid the administrative burden of processing claims that would result in very small benefit amounts. The supplementary agreement would establish a similar minimum coverage requirement for the United Kingdom. Under this provision, a worker would be required to have at least one year of coverage under the U.K. system before

the United Kingdom would take U.S. coverage into account in determining U.K. benefit eligibility.

Coverage of Self-employment in Third Countries

The original agreement includes a provision that eliminates dual Social Security coverage and tax liability with respect to self-employment performed in the United States or the United Kingdom by assigning coverage to the worker's country of residence. Since the provision applies only to work performed in one of the two countries, it does not eliminate dual coverage in situations where a self-employed person working in a third country is covered under both U.S. and U.K. law. The supplementary agreement overcomes this problem by extending the application of the rule to self-employed workers in third countries. Under the supplementary agreement, self-employment performed by a U.S. or U.K. resident in a third country, which would be covered under the laws of either country in the absence of the agreement, will be subject only to the laws of the worker's country of residence.

ANNEX A

AGREEMENT

ANNOTATIONS AND COMMENTS

SUPPLEMENTARY AGREEMENT
AMENDING THE AGREEMENT ON SOCIAL SECURITY
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland;

Having considered the Agreement on Social Security which was signed on their behalf at London on 13 February 1984 (hereinafter referred to as "the Agreement");

Having recognized the need to revise certain provisions of the Agreement;

Have agreed as follows:

This Supplementary Agreement will amend the U.S.-U.K. Social Security Agreement (TIAS 11086) that was signed on February 13, 1984, and which entered into force on January 1, 1985.

The original Agreement, like other U.S. agreements concluded pursuant to section 233 of the Social Security Act, has two main purposes. First, it eliminates dual Social Security coverage, the situation that occurs when a person from one country works in the other country and is required to pay Social Security taxes to both the United States and the United Kingdom on the same earnings. The Agreement includes rules that assign a worker's coverage to only one country.

Second, the Agreement helps prevent gaps in benefit protection for workers who have divided their careers between the United States and the United Kingdom. Such workers may fail to qualify for Social Security benefits from one or both countries because they have not worked long enough to meet minimum eligibility requirements. Under the Agreement, these workers may qualify for partial U.S. or U.K. benefits based on "totalized" (i.e., combined) credits from both countries.

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The Supplementary Agreement is necessary, in part, to take account of changes in U.S. and U.K. law that have occurred since the original Agreement was implemented. The primary purpose of the Supplementary Agreement, however, is to remove certain restrictions in the original Agreement on the payment of U.K. disability benefits to residents of the United States.

Article 1 of the Supplementary Agreement makes several substantive changes in the text of the original Agreement. Article 2 includes a guarantee against reductions in benefits for persons already entitled when the Supplementary Agreement enters into force, and Article 3 specifies the Supplementary Agreement's effective date.

Article 1

(1) Article 1 of the Agreement shall be revised as follows:

Article 1.1 revises and supplements a number of definitions included in Article 1 of the original Agreement.

(a) Paragraph 1 shall be revised to read as follows:

"1. "Territory" means,

as regards the United States, the States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands, and

The definition of United States "territory" in the original U.S.-U.K. Social Security Agreement is identical to the definition of "United States" in title II of the U.S. Social Security Act. That definition includes the 50 States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam and American Samoa, but not the Northern Mariana Islands (NMI). However, the Covenant establishing the NMI Commonwealth in political union with the United States provides that the U.S. Social Security program is to apply in this newest U.S. territory as it applies in Guam. Because all U.S. Social Security agreements apply to Guam, the U.S. Social Security Administration began applying the agreements to the NMI as of January 1,

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	1987, when the U.S. Social Security program was first extended there. The revision made by Article 1.1(a) makes clear that the definition of United States "territory" includes the NMI.
as regards the United Kingdom, England, Scotland, Wales, Northern Ireland, and also the Isle of Man, the Island of Jersey, and the Islands of Guernsey, Alderney, Herm and Jethou; and references to the "United Kingdom" or to "territory" in relation to the United Kingdom shall include the Isle of Man, the Island of Jersey, and the Islands of Guernsey, Alderney, Herm and Jethou where appropriate;".	The Supplementary Agreement makes no substantive change in the definition of United Kingdom "territory." The term "United Kingdom," when used in the Agreement, includes England, Scotland, Wales (collectively known as "Great Britain") and Northern Ireland. Although the Isle of Man, the Island of Jersey and the Islands of Guernsey, Alderney, Herm and Jethou are not part of the political entity known as the "United Kingdom", they are included in the term for purposes of the Agreement. References to Guernsey in the Agreement and in these annotations include Alderney, Herm and Jethou, which are politically linked to Guernsey and included under Guernsey's Social Security system.
(b) Paragraph 3 shall be revised to read as follows:	Article 1.1(b) revises the definition of "Competent Authority" in Article 1.3 of the original Agreement to take into account the enactment in the United States of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103-296). This law removed the U.S. Social Security Administration from the Department of Health and Human Services and established it as an independent agency, under the direction of the Commissioner of Social Security, effective March 31, 1995.
"3. "Competent Authority" means,	
as regards the United States, the Commissioner of Social Security, and	
as regards the United Kingdom, the Department of Social Security for Great Britain, the Department of Health and Social Services for Northern Ireland, the Department of Health and Social Security of the	Article 1.1(b) also amends the definition of United Kingdom "Competent Authority" to reflect the current designation of the various government bodies responsible for administering the U.K. Social Security program and the Agreement.

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Isle of Man, the Employment and Social Security Committee of the States of the Island of Jersey or the Guernsey Social Security Authority as the case may require;".

(c) Paragraph 7 shall be revised to read as follows:

"7. As regards the United Kingdom:

(a) "insurance period" means,

a contribution period or an equivalent period;

(b) "contribution period" means,

a period in respect of which contributions appropriate to the benefit in question are payable, have been paid or treated as paid;

(c) "equivalent period" means,

a period for which contributions appropriate to the benefit in question have been credited;

(d) "survivor's benefit" means,

widow's allowance, widow's payment, widowed mother's allowance and widow's pension;

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Article 1.1(c) of the Supplementary Agreement makes no change in the definitions included in Article 1.7(a), (b), (c), (e) or (f) of the original Agreement. The definition of "survivor's benefit" in Article 1.7(d), however, has been revised to take into account recent changes in U.K. law. The definitions included in Articles 1.7(g) through (n) are new and define terms used primarily in the provisions of the Agreement that establish the eligibility requirements for U.K. disability benefits. (See Articles 11 and 14 of the Agreement as modified by Articles 1.7 and 1.8 of the Supplementary Agreement.)

The definition of "survivor's benefit" has been modified to reflect the fact that the law of Great Britain and Northern Ireland now provides a "widow's payment" instead of a "widow's allowance." The "widow's allowance" continues to be paid in Jersey and Guernsey.

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(e) "child's survivor benefit" means,

guardian's allowance and child's special allowance;

(f) "laws on coverage" means,

the laws and regulations relating to the imposition of liability for the payment of social security contributions;

(g) "qualifying period" for invalidity benefit means,

(i) a period of incapacity of 364 days under the laws of Great Britain, Northern Ireland or the Isle of Man, or

(ii) a period of incapacity of 364 days under the laws of Jersey, or

(iii) a period of incapacity of 156 days, excluding Sundays, under the laws of Guernsey;

(h) "first contribution condition" means,

(i) under the laws of Great Britain, Northern Ireland or the Isle of Man, that a person has paid at least 52 Class I or Class II contributions at any time before 6 April 1975, or has paid, in one contribution

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year, Class I or Class II contributions producing an earnings factor of at least 50 times that year's lower earnings limit in a tax year beginning on or after 6 April 1975, or

(ii) under the laws of Jersey, that a person has paid contributions prior to the end of the relevant quarter and the annual contribution factor derived from these contributions is not less than 0.25, or

(iii) under the laws of Guernsey, that a person has paid at least 26 reckonable contributions since 4 January 1965 or the date of his entry into the Guernsey scheme;

(i) "second contribution condition" means,

(i) under the laws of Great Britain, Northern Ireland or the Isle of Man, that a person has either paid or been credited with Class I or Class II contributions producing an earnings factor of at least 50 times the lower earnings limit in each of the last 2 complete contribution years before the relevant benefit year, or

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(ii) under the laws of Jersey, that a person has paid or been credited with contributions in respect of the relevant quarter and the quarterly contribution factor derived from those contributions is 1.00, or

(iii) under the laws of Guernsey, that a person has paid or been credited with at least 26 reckonable contributions in the relevant contribution year;

(j) a "qualifying year" means,

(i) at least 50 weeks of insurance for periods before 6 April 1975, or that the person has received, or been treated as having received,, earnings of at least 52 times the lower earnings limit in a tax year after 5 April 1978 under the laws of Great Britain, Northern Ireland and the Isle of Man, or

(ii) an annual contribution factor of 1.00 under the laws of Jersey, or

(iii) 50 weeks under the laws of Guernsey;

(k) a "reckonable year" means a tax year between 6 April 1975 and 5 April 1978 during which contributions have been paid on earnings received (or treated

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as received) of at least 50 times the lower earnings limit for that year;

(l) "prescribed period" means, in relation to Jersey and Guernsey, the period commencing on the same date under the laws of Jersey or Guernsey, as the case may be, as the relevant period for the purposes of old age pension and ending on 31 December next preceding the date on which entitlement to invalidity benefit first arose;

(m) "sickness benefit" means,

(i) short-term incapacity benefit at the lower, higher or long-term rate payable under the legislation of Great Britain, Northern Ireland or the Isle of Man, or

(ii) sickness benefit payable under the legislation of Jersey or Guernsey;

(n) "invalidity benefit" means,

(i) long-term incapacity benefit, additional pension, invalidity allowance and incapacity age addition payable under the legislation of Great Britain, Northern Ireland or the Isle of Man, or

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(ii) invalidity benefit payable under the legislation of Jersey or Guernsey.".

(2) In paragraph 1(a)(ii) of Article 2 of the Agreement, "1954" shall be replaced by "1986".

Article 2.1(a)(ii) of the original Agreement includes certain provisions of the U.S. Internal Revenue Code of 1954 among the laws to which the Agreement applies. Article 1.2 of the Supplementary Agreement merely conforms this designation to the current title of the U.S. tax law.

(3) Paragraph 1(b) of Article 2 of the Agreement shall be revised to read as follows:

"(b) As regards the United Kingdom,

(i) the Social Security Administration Act 1992, the Social Security Contributions and Benefits Act 1992, the Social Security (Consequential Provisions) Act 1992 and the Social Security (Incapacity for Work) Act 1994;

(ii) the Social Security Administration (Northern Ireland) Act 1992, the Social Security Contributions and Benefits (Northern Ireland) Act 1992, the Social Security (Consequential Provisions) (Northern Ireland) Act 1992 and the Social Security (Incapacity for Work) (Northern Ireland) Order 1994;

Article 2.1(b) of the original Agreement specifies the U.K. Social Security laws to which the Agreement applies. Article 1.3 of the Supplementary Agreement updates this listing to take into account U.K. laws enacted after the original Agreement was negotiated.

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(iii) the Social Security Administration Act 1992, the Social Security Contributions and Benefits Act 1992, the Social Security (Consequential Provisions) Act 1992 and the Social Security (Incapacity for Work) Act 1994 (Acts of Parliament) as those Acts apply to the Isle of Man by virtue of Orders made, or having effect as if made, under the Social Security Act 1982 (an Act of Tynwald);

(iv) the Social Security (Jersey) Law, 1974;

(v) the Social Insurance (Guernsey) Law, 1978;

and the laws which were repealed or consolidated by those Acts, Laws or Orders or repealed by legislation consolidated by them.".

(4) In paragraph 2 of Article 4 of the Agreement, the word "normally" shall be added immediately before the words "employed by".

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Article 4.1 of the original Agreement provides that a person who is employed in the United States or the United Kingdom will generally be subject to Social Security coverage only in the country in which the work is performed. Article 4.2 of the Agreement contains an exception to the "territoriality" rule in Article 4.1. This exception provides that when a person who is working for an employer in the United States or the United Kingdom and covered under the Social Security laws of that country is sent by that employer to work in the other country for a period of five years or less, the person will continue to be covered under the Social Security laws of only the first country. Article 1.4 of the Supplementary Agreement amends Article 4.2 to make clear that, in order

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for the exception to apply, the employee who is being transferred must normally have been working for the sending employer in the territory of the first country immediately before being sent to the other country. This change is intended to prevent application of the rule in situations where the employee does not have a current connection to the labor market in the first country. For example, the rule would generally not apply to a person who has been working outside the United States and not covered under U.S. Social Security, and who is brought briefly to the United States to sign an employment contract with a U.S. employer before being temporarily transferred to the United Kingdom. In this case, Article 4.2 would not apply since the individual did not have a current connection to the U.S. economy; rather, the territoriality rule in Article 4.1 would apply so that the worker would be subject only to U.K. law.

(5) Article 4 paragraph 3 of the Agreement shall be revised to read as follows:

"3. A person who is covered under the laws on coverage of either Party with respect to self-employment shall be subject only to the laws on coverage of the Party in whose territory he ordinarily resides.".

Article 4.3 of the original Agreement eliminates dual Social Security coverage and tax liability with respect to self-employment performed in the United States or the United Kingdom by assigning coverage to the worker's country of residence. Since this provision applies only to work performed in one of the two countries, it does not eliminate dual coverage in situations where a self-employed person working in a third country is covered under both U.S. and U.K. law. Article 1.5 of the Supplementary Agreement overcomes this problem by extending the application of the rule to self-employed workers in third countries.

(6) Article 7 paragraph 2 of the Agreement shall be revised to read as follows:

"2. Subject to the provisions of paragraph 3 of this Article and the provisions of

Article 7.2 of the original Agreement permits persons who would be entitled to receive U.K. retirement or survivors benefits in the United Kingdom to receive those benefits while they reside in the United States. Article 1.6 of the Supplementary

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Article 14, a person who would be entitled to receive an old age pension, a retirement pension, a survivor's benefit or an invalidity benefit under the laws of the United Kingdom if he were in the United Kingdom shall be entitled to receive that pension or benefit while he ordinarily resides in the territory of the United States, as if he were in the United Kingdom.".

(7) Article 11 paragraph 3 of the Agreement shall be revised to read as follows:

"3. Where the periods of coverage completed by a person under the laws of:

(i) either Great Britain, Northern Ireland or the Isle of Man amount to less than one reckonable year, or, as the case may be, qualifying year, or relate only to periods before 6 April 1975 and in aggregate amount to less than 50 weeks, or

(ii) Jersey amount to less than an annual contribution factor of 1.00, or

(iii) Guernsey amount to less than 50 weeks,

those periods shall be aggregated as if they had all been completed under the laws of any part of the territory of the United Kingdom under which a pension is payable or would be payable if the periods were aggregated, or, where two such pensions are or would be payable, under the laws of that part which, at the date on which entitlement first arose or arises, is paying or would pay the greater amount. Where the aggregate of the peri-

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Agreement broadens the scope of this provision to include U.K. disability benefits. This provision also allows U.K. disability beneficiaries in the United States to receive any cost-of-living increases which apply to those benefits while they reside in the United States.

Under Article 8.1 of the original Agreement, the United States is not required to consider U.K. periods of coverage for purposes of determining benefit eligibility unless the worker has earned at least 6 quarters of U.S. coverage. This provision is intended to avoid the administrative burden of processing benefit claims that would result in very small benefit amounts.

Article 1.7 of the Supplementary Agreement amends Article 11.3 of the Agreement to establish a similar minimum coverage requirement for U.K. old-age or retirement benefits. Under this provision, a worker would be required to have at least one year of coverage under the U.K. system before the United Kingdom would take U.S. coverage into account in determining U.K. benefit eligibility. (Article 14.15, as amended, provides for a similar requirement with respect to U.K. disability benefits.)

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ods of coverage is less than one qualifying year or reckonable year, this Article and Article 9 shall not apply.".

(8) Article 14 of the Agreement shall be revised to read as follows:

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Article 1.8 makes important modifications in Article 14 of the original Agreement to allow expanded payment of U.K. disability benefits to U.S. residents. In addition, Article 1.8 conforms Article 14 to major revisions in the disability benefit provisions of U.K. law that became effective April 13, 1995.

BACKGROUND

Most employed persons in the United Kingdom who have been incapacitated for work for at least 4 days are eligible to receive payments from their employer known as statutory sick pay (SSP) for up to 28 weeks. Prior to April 13, 1995, disabled persons not eligible for SSP (generally the self-employed and certain limited categories of employees) received alternative Social Security payments, known as sickness benefit, for the initial 28-week period of incapacity. After 28 weeks, both SSP and sickness benefit were replaced with a benefit known as invalidity benefit.

SSP continues to be the benefit paid to most employees for the first 28 weeks of incapacity. Under legislation effective April 13, 1995, however, both sickness benefit (for persons not eligible for SSP) and invalidity benefit have been replaced by a new benefit called incapacity benefit (IB). The new incapacity benefit has two elements: "short-term" and "long-term" IB. Short-term IB is paid for the first 28 weeks of incapacity at a rate corresponding to that of the former sickness benefit (£44.40/week in 1995). Starting with the

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29th week of incapacity, short-term IB is increased to a somewhat higher rate (£52.50/week in 1995). Persons who receive statutory sick pay for 28 weeks also have their SSP payments replaced with short-term IB at the higher rate starting with the 29th week of incapacity.

Long-term IB replaces short-term IB starting with the 53rd week of incapacity and is paid at the same rate as the former invalidity benefit (£58.85/week in 1995). Long-term IB can be increased by supplements for a dependent spouse and children under certain conditions.

The original Agreement includes provisions that allow a person in the United States to qualify for U.K. invalidity benefit. Beginning April 13, 1995, the U.K. has interpreted these provisions of the Agreement as applying to long-term IB (which the U.K. considers to be the successor to invalidity benefit), but not to U.K. sickness benefit or the new short-term IB. Although the Agreement currently applies to the new long-term IB (and previously to invalidity benefit), in practice, almost no one in the United States has been able to qualify for either benefit because the eligibility requirements set forth in the Agreement are very restrictive.

Under the Supplementary Agreement, a person in the United States will be able to qualify for the U.K. long-term incapacity benefit under less stringent conditions. (NOTE: Article 14.1-14.5 of the Agreement, as amended, still refers to "invalidity benefit;" however, Article 1.7(n) of the Agreement, as amended, defines this term to include long-term IB.) The Supplementary Agreement will not affect eligibility requirements for short-term

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"1. The provisions of paragraphs 2 to 5 of this Article shall apply to claims for invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man.

2. A person who has satisfied the first contribution condition for sickness benefit as defined in Article 1 using contributions under the laws of Great Britain, Northern Ireland or the Isle of Man only, who is in the territory of the United States and is not subject to the laws on coverage of Great Britain, Northern Ireland or the Isle of Man under Articles 4, 5 or 6 of this Agreement, shall be entitled to receive invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man provided that:

(a) the second contribution condition for sickness benefit under the laws of the

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IB, which is generally not payable to persons in the United States.

Under Article 14.1 of the Agreement, as amended, paragraphs 2 through 5 apply to claims for disability benefits under the laws of Great Britain (England, Scotland and Wales), Northern Ireland and the Isle of Man. Eligibility requirements for Jersey and Guernsey disability benefits are slightly different from the requirements under the systems of Great Britain, Northern Ireland and the Isle of Man and are dealt with separately in paragraphs 6 through 9, and paragraphs 10 through 13, respectively. A Social Security Agreement between the various parts of the U.K. determines which single part pays an incapacity benefit when a person has Social Security coverage credited in more than one part. In general, only the part of the U.K. in which the person was last covered before the incapacity began pays a benefit, taking into account, where appropriate, periods of coverage from all the other parts of the U.K.

Under Article 14.2 of the Agreement, as amended, a person in the United States who has been incapable of work for a period of at least 364 days will be eligible to receive U.K. long-term incapacity benefit if the person meets two minimum contribution conditions (see Article 1.7(h) and (i), as amended). The person must meet the "first contribution condition" based on U.K. coverage alone, but can meet the "second contribution condition" based on either U.S. or U.K. coverage. To meet the first contribution condition, the person must have paid at least 52 weeks of U.K. contributions at any time prior to April 6, 1975, or paid U.K. contributions in any tax year after that date (and prior to disability onset) equal to at least 50 times

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United Kingdom is satisfied using relevant periods of coverage under the laws of the United Kingdom and, if necessary, the United States, and

(b) the person is incapacitated for work and has been so incapacitated throughout the qualifying period for invalidity benefit, in which case the person shall be treated as if sickness benefit followed by invalidity benefit, under the laws of Great Britain, Northern Ireland or the Isle of Man, had been paid throughout that period of incapacity.

For the purposes of sub-paragraph (a), a person will be considered to meet the second contribution condition if he is credited with at least 2 quarters of coverage under the laws of the United States in each of the last 2 complete contribution years before the relevant benefit year. The relevant Competent Authority of Great Britain, Northern Ireland or the Isle of Man will reallocate any quarter of coverage credited to a person under the laws of the United States within a calendar year to any other calendar quarter within that year if it is needed to satisfy the second contribution condition in a relevant contribution year, as long as it has not been used to satisfy the second contribution condition in any other relevant contribution year.

The rate of the invalidity benefit payable shall be that which would be paid under the laws of Great Britain, Northern Ireland or the Isle of Man without the application of this Agreement unless a disability benefit under the laws of the United States is in payment, whether or not under

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the contributions payable on earnings at the lowest weekly level subject to contributions (the "lower earnings limit" or LEL).

To meet the second contribution condition, the person must have paid or been credited with contributions in each of the 2 tax years preceding disability onset equal to at least 50 times the contributions payable on the LEL in those 2 years. A person can meet the second contribution condition based on U.S. coverage if he or she has at least two quarters of U.S. coverage in each of the last two years before disability onset. (Because the U.K. contribution year starts on April 6 of each calendar year and U.S. quarters of coverage are not attributable to specific calendar quarters within a year, Article 14.2 provides that U.S. quarters of coverage will be assigned to specific quarters within a year in the manner most advantageous to the claimant.)

Persons who meet the above requirements and are not receiving a disability benefit from the United States will receive the full U.K. incapacity benefit. If a U.S. disability benefit is being paid, only a partial U.K. benefit will be paid based on the amount of coverage credit earned in the United Kingdom.

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the provisions of this Agreement, in which case the rate of invalidity benefit payable shall be determined in accordance with the provisions of paragraph 3 of this Article.

3. Taking account of sub-paragraphs (a) and (b) of this paragraph, the relevant Agency of Great Britain, Northern Ireland or the Isle of Man shall ascertain the proportion of invalidity benefit provided under its laws in the same ratio as the total of the periods of coverage completed under its laws bears to the total periods of coverage completed under the laws of both Parties.

Article 14.3 of the Agreement, as amended, contains rules for calculating the amount of the partial U.K. incapacity benefit that is payable to persons whose U.K. entitlement is based on Article 14.2 or Article 14.4 of the Agreement and who are also receiving a U.S. disability benefit. Under this provision, the United Kingdom will first determine the theoretical benefit amount the worker would be entitled to receive if he or she had qualified for incapacity benefit without recourse to the Agreement. This amount equals the flat-rate amount of long-term incapacity benefit plus any increases payable on behalf of dependents or on account of age. Second, the amount actually payable will be determined by multiplying the theoretical benefit by the ratio of the worker's U.K. periods of coverage to the worker's total periods of coverage under U.K. and U.S. laws.

(a) The provisions of paragraphs 1, 2 and 5 of Article 9 and the provisions of paragraphs 4, 6 and 7 of Article 11 of this Agreement shall apply to periods of coverage credited under the laws of the United States as if the references in those Articles to an old age pension, a retirement pension or a pension were references to invalidity benefit.

Article 14.3 of the original Agreement stipulates that when a person qualifies for U.K. invalidity benefits through application of the Agreement, the amount of the benefit must be prorated based on the ratio of the person's periods of U.K. coverage to the combined duration of U.K. and U.S. coverage. This pro rata computation is similar to the method provided in Article 11.2 of the Agreement for computation of U.K. old-age and retirement benefits that are based on totalization.

Articles 9 and 11 of the original Agreement include several additional rules for calculating the amount of U.K. pro rata old-age and retirement

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	pensions and, in accordance with Article 14.3(a), these rules also apply for the calculation of U.K. invalidity benefits. The Supplementary Agreement, however, revises Article 14.3(a) to remove references to several of these provisions--Article 9.3 and 9.4 and Article 11.5--with the result that the omitted provisions will no longer apply in computing the amount of U.K. invalidity benefits. Article 9.3 and 9.4 provide for converting U.S. quarters of coverage into equivalent periods under the systems of Jersey and Guernsey. Under the Supplementary Agreement, however, the amount of Jersey and Guernsey invalidity benefits based on totalized periods of coverage will no longer take into account the duration of a person's U.S. coverage, and it is no longer appropriate, therefore, for Article 14.3(a) to refer to Article 9.3 and 9.4. Article 11.5 of the original Agreement stipulates that in determining the amount of U.K. pro rata old-age or retirement pensions, under certain conditions periods of U.S. coverage may be assigned to a U.K. tax year other than the one in which it actually falls. The U.K. no longer considers this provision relevant for the calculation of U.K. invalidity benefits; the Supplementary Agreement, therefore, amends Article 14.3(a) to exclude reference to this provision as well.
(b) For the purpose of calculating the proportion of benefit referred to above, no account shall be taken of any period of coverage completed after the day on which a person's incapacity commenced.	Article 14.3(b) remains virtually unchanged.

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The amount of benefit calculated in accordance with the above provisions of this paragraph shall be the amount of invalidity benefit actually payable to that person.	
4. Where a person in the territory of Great Britain, Northern Ireland or the Isle of Man, or a person outside the territory of Great Britain, Northern Ireland or the Isle of Man who is entitled to an invalidity benefit under the relevant legislation other than under paragraph 2 of this Article, is in receipt of invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man and also is in receipt of a disability benefit under the laws of the United States, whether or not under the provisions of this Agreement, the rate of invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man shall be determined in accordance with the provisions of paragraphs 3 and 5 of this Article.	Under Articles 14.5 and 14.11 of the existing Agreement, a person in Great Britain, Northern Ireland or the Isle of Man who is receiving a U.S. disability benefit (other than a partial benefit based on totalization) and who has resided in those areas less than 5 years prior to disability onset cannot qualify for a long-term incapacity benefit. Under Article 14.4 of the Agreement, as amended, persons in those areas who are receiving U.S. disability benefits will be able to qualify for partial long-term incapacity benefit without regard to the duration of their U.K. residence. In these cases, the agency of Great Britain, Northern Ireland or the Isle of Man will compute a benefit amount in accordance with Article 14.3, which will be proportional to the duration of the worker's U.K. coverage. The same pro rata computation will also apply in determining pension amounts for persons outside Great Britain, Northern Ireland or the Isle of Man if they are entitled to a long-term incapacity benefit without regard to the totalization provisions of the Agreement and are also receiving a U.S. disability benefit.
5. Where a person to whom the provisions of paragraph 4 apply: (a) would have been entitled to receive invalidity benefit under the laws of Great Britain, Northern Ireland or the	Under Article 14.4, as amended, if a person who is entitled to a U.S. disability benefit is also entitled to a long-term incapacity benefit from Great Britain, Northern Ireland or the Isle of Man, which is payable without the need to totalize periods of U.S. and U.K. coverage, the person will generally receive a prorated benefit from the U.K.

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Isle of Man, without recourse to this Agreement; and

(b) is entitled to receive both invalidity benefit under paragraph 3 and a disability benefit under the laws of the United States, whether or not under the provisions of this Agreement, and the sum of these two benefits is less than the amount of invalidity benefit to which the person would otherwise have been entitled under (a);

the competent authority of Great Britain, Northern Ireland or the Isle of Man shall calculate the difference between the amounts of benefit calculated in accordance with sub-paragraphs (a) and (b), on the date that entitlement to invalidity benefit payable under paragraph 3 first arose, and shall pay that amount in addition to the invalidity benefit payable. The additional sum will remain in payment under the same conditions as the invalidity benefit and subject to the equivalent increases in amount, as appropriate.

6. Notwithstanding any other provision of this Agreement, invalidity benefit shall be payable under the laws of Jersey only in accordance with the provisions of paragraphs 7 to 9 of this Article.

7. For the purpose of qualifying for invalidity benefit, a person who is in the territory of the United States and

(a) has satisfied the first contribution condition for invalidity benefit using

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rather than the full domestic law benefit. However, Article 14.5, as amended, provides that if this prorated benefit and the U.S. benefit together equal less than the domestic law benefit that would otherwise be payable by Great Britain, Northern Ireland or the Isle of Man, the U.K. agency will pay an additional amount sufficient to raise the amount of the combined benefits to the level of its domestic law benefit.

Under Article 14.6 of the Agreement, as amended, paragraphs 7 through 9 apply to claims for invalidity benefit under the laws of Jersey.

Under the Jersey system, cash sickness benefits are payable for up to 364 days. If a person has received sickness benefits for this period and is still considered disabled, invalidity benefit becomes payable. Article 14.7 of the Agreement, as amended, establishes eligibility requirements for

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contributions under the laws of Jersey only; and

(b) has satisfied the second contribution condition for invalidity benefit using relevant periods of coverage under the laws of either Party; and

(c) is incapable of work, and has been so incapable throughout the qualifying period for invalidity benefit;

shall be treated as if he had been entitled to sickness benefit throughout that period.

For the purposes of sub-paragraph (b), a person will be considered to meet the second contribution condition if he is credited with at least 2 quarters of coverage under the laws of the United States in each of the last 2 complete calendar years before the calendar year in which the claim for benefit was made.

8. Where a person has satisfied the conditions set out in paragraph 7, the Competent Authority of Jersey shall determine the actual rate of invalidity benefit payable as the amount that bears the same relation to the standard rate of benefit as the life average contribution factor during the prescribed period bears to 1.00, except that no benefit shall be payable where the factor is less than 0.1.

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Jersey invalidity benefits similar to those that apply to U.K. benefits under Article 14.2. A person who is in the U.S. and meets the requirements in Article 14.7 will be treated as if he or she had been entitled to Jersey sickness benefit for 364 days and will, therefore, be entitled to invalidity benefits.

To meet the requirements of Article 14.7, a person must have (1) contributed to the Jersey system prior to the calendar quarter preceding disability onset and (2) paid or been credited with contributions for the entire second calendar quarter preceding disability onset. Article 14.7 stipulates that a person must meet the first requirement based on Jersey coverage alone. (By virtue of the internal totalization agreement between the various parts of the U.K., however, Jersey will take into account contributions paid in other parts of the U.K. as well.) The person may meet the second requirement, however, based on either U.K. coverage or U.S. coverage. To meet the second requirement based on U.S. coverage, the person must have at least 2 quarters of U.S. coverage in each of the 2 calendar years before the calendar year in which the benefit claim is filed.

Under Article 14.8, a person who is in the United States and who qualifies for Jersey invalidity benefit by virtue of Article 14.7 will receive a prorated benefit based on the amount of coverage credit earned in Jersey. Under the Jersey system, a person's "contribution factor" for a given period is the proportion of the period during which the person either paid contributions to the Jersey system or had contributions credited. For example, a person with a life average contribution factor of 0.5 over the "prescribed period" (gener-

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9. Where a person who is in Jersey is entitled to invalidity benefit under the laws of Jersey, that benefit shall be payable.

10. Notwithstanding any other provision of this Agreement, invalidity benefit shall be payable under the laws of Guernsey only in accordance with the provisions of paragraphs 11 to 13 of this Article.

11. For the purpose of qualifying for invalidity benefit, a person who is in the territory of the United States or Guernsey and

(a) has satisfied the first contribution condition for sickness benefit using contributions under the laws of Guernsey only; and

(b) has satisfied the second contribution condition for sickness benefit using relevant periods of coverage under the laws of either Party; and

(c) is incapable of work, and has been so incapable throughout the qualifying period for invalidity benefit;

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ally the period from age 15 through the year preceding disability onset) would have paid contributions over half of that period and, under Article 14.8, would receive half the standard flat-rate invalidity benefit. No benefit will be paid, however, if the contribution factor is less than 0.1.

Under Article 14.9, a person who is in Jersey and is entitled to a Jersey invalidity benefit will receive the full benefit amount, regardless of whether a U.S. disability benefit is also payable.

Under Article 14.10, paragraphs 11 through 13 apply to claims for invalidity benefit under the laws of Guernsey. There are no separate provisions for Guernsey invalidity benefit in the original Agreement.

Short-term cash sickness benefits are payable under the Guernsey system for up to 26 weeks. If a person has received sickness benefits for this period and is still considered disabled, invalidity benefit becomes payable. The eligibility requirements for invalidity benefit under the laws of Guernsey, which are set forth in Article 14.11, are similar to those in Article 14.2 (which apply to Great Britain, Northern Ireland and the Isle of Man) and 14.7 (which apply to Jersey). Article 14.11 is different, however, in that it applies to persons who are in either the United States or Guernsey. A person who meets the requirements in Article 14.11 will be treated as if he or she had been entitled to Guernsey sickness benefit for 26 weeks and will, therefore, be entitled to invalidity benefit.

AGREEMENT

shall be treated as if he had been entitled to sickness benefit throughout that period.

For the purposes of sub-paragraph (b), each quarter of coverage credited under the laws of the United States in the relevant contribution year shall be treated as if it had been a contribution period of thirteen weeks completed as an employed or self-employed person in the relevant contribution year.

12. Where a person has satisfied the conditions set out in paragraph 11, the Competent Authority of Guernsey shall:

(a) deem the contribution conditions for the payment of invalidity benefit satisfied provided that the periods of coverage under the laws of Guernsey total one qualifying year; and

(b) calculate the amount of invalidity benefit to be paid, subject to paragraph 13, as being the proportion, not exceeding 100%, of the standard rate which the total number of contributions paid or credited in Guernsey during the prescribed period bears to the product of the number of years in that period and fifty: save that if the amount so calculated is less than

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To meet the eligibility requirements under Article 14.11, a person must meet 2 conditions. First, the person must have paid at least 26 weekly contributions (or the equivalent) to the Guernsey system since January 4, 1965, or the date the person was first covered under the Guernsey system. Second, the person must have paid or been credited with at least 26 weekly contributions (or the equivalent) for the calendar year that precedes the 12-month period July 1-June 30 in which the disability arose. Under the Supplementary Agreement, the first requirement must be met based on Guernsey (or other U.K.) coverage alone, but the second requirement may be met based on combined U.K. and U.S. coverage, with each quarter of U.S. coverage counting as 13 weekly contributions.

Under Article 14.12, a person who qualifies for a Guernsey invalidity benefit by virtue of Article 14.11 and who has at least one year of coverage under the Guernsey system (i.e., 50 weeks in accordance with Article 1.7(j)(iii)) will receive a prorated benefit based on the amount of coverage credit earned in Guernsey.

AGREEMENT

one-twentieth of the standard rate, no benefit shall be payable.

13. Where a person is in Guernsey and

(a) is entitled to invalidity benefit under the laws of Guernsey solely through the application of paragraphs 11 and 12, or has been entitled to such a benefit in relation to the claim in question solely through the application of those paragraphs; and

(b) is in receipt of a disability benefit under the laws of the United States, whether or not by virtue of this Agreement;

the amount of the invalidity benefit payable under the laws of Guernsey shall be reduced by the amount by which the aggregate of both benefits exceeds the standard rate of invalidity benefit under the laws of Guernsey.

14. No person in relation to whom invalidity benefit is payable under the provisions of this Agreement shall receive a contribution credit from Jersey or Guernsey unless present in Jersey or Guernsey, as the case may be.

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Article 14.13 applies to persons in Guernsey who qualify for pro rata Guernsey invalidity benefits by virtue of Articles 14.11 and 14.12, and also receive a disability benefit from the United States. It stipulates that the total benefits paid by both countries cannot exceed the regular flat-rate benefit amount payable under Guernsey law. If the combined benefits would exceed that amount, the Guernsey benefit will be reduced by the excess.

Under U.K. law, a person can receive noncontributory credits while sick and unable to work. These credits may be counted in determining eligibility for several types of benefits, including retirement pensions. Article 14.14 provides that any credits which are normally granted under Jersey or Guernsey laws for periods during which a person is disabled will not be granted to persons receiving invalidity benefit under the Agreement unless they are present in Jersey or Guernsey.

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15. Where a person's periods of coverage under the laws of a part of the United Kingdom total less than one qualifying year, or one reckonable year, these periods shall be aggregated as if they had all been completed under the laws of any part of the territory of the United Kingdom under which a sickness benefit or an invalidity benefit is payable or would be payable if the periods were aggregated, or, where two such benefits are or would be payable, under the laws of that part which, at the date on which entitlement first arose or arises, is paying or would pay the greater amount. Where the aggregate of the periods of coverage is less than one qualifying year, or one reckonable year, this Article shall not apply.

16. Notwithstanding any other provision of this Article, a person in the territory of the United States who is subject to the laws on coverage of the United Kingdom by virtue of any of the Articles 4 to 6 of this Agreement and who satisfies the contribution conditions applicable to sickness benefit under those laws shall, for the purpose of determining his entitlement to invalidity benefit under those laws:

(a) be treated as if he were in the territory of the United Kingdom; and

(b) each day of incapacity for work while in the territory of the United States may, where appropriate, be treated as if it were a day for which he had received sickness benefit under the laws of the United Kingdom.

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A worker will not be able to qualify for U.K. invalidity benefits on the basis of Article 14 of the Agreement unless the worker has a combined total of at least one qualifying or reckonable year under all the parts of the U.K. (see the definition of "qualifying year" and "reckonable year" in the new Article 1.7(j)). Article 11.3 of the Agreement, as amended, provides a similar 1-year requirement with respect to U.K. old-age or retirement benefits.

Under the Supplementary Agreement, Article 14.12 of the original Agreement becomes Article 14.16, but the Supplementary Agreement makes no other change in this provision.

AGREEMENT

17. Any restriction which would otherwise be applicable under the laws of the United Kingdom in the rate of benefit payable to persons who are not ordinarily resident in the territory of the United Kingdom shall not apply to persons in the territory of the United States who are in receipt of invalidity benefit under the laws of the United Kingdom by virtue of the provisions of this Agreement.".

9) Article 21 paragraph 2 of the Agreement shall be revised to read as follows:

"2. If a disagreement cannot be resolved through negotiation, the Competent Authorities will endeavor to settle the issue through arbitration, mediation, or other mutually agreed procedure.".

Article 2

The application of this Supplementary 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 3

This Supplementary Agreement shall enter into force on the first day of the third month following the month in which both Governments shall have informed each other by a formal exchange of notes that the steps necessary under their national statutes to enable the Supplementary Agreement to take effect have been taken.

ANNOTATIONS AND COMMENTS

Under the Supplementary Agreement, Article 14.13 of the original Agreement becomes Article 14.17, but the Supplementary Agreement makes no other change in this provision.

Article 21.2 of the original Agreement requires both States, at the request of either State, to establish an arbitral procedure if a disagreement cannot be resolved by the Competent Authorities. Article 21.2, as amended, would provide for the possible use of less formal procedures for resolving disagreements, such as mediation.

Article 2 guarantees that benefits which are already being paid at the time the Supplementary Agreement becomes effective will not be reduced as a result of its entry into force.

Each country will follow its own constitutional procedures for approval of the Supplementary Agreement. Once each country has completed its internal review, the two Governments will exchange formal instruments of approval. The Supplementary Agreement will enter into force on the first day of the third calendar month after each Government has received the notification of approval from the other Government.

AGREEMENT

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed this Supplementary Agreement.

DONE in duplicate at London on 6th June 1996.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:	FOR THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:
Timothy E. Deal	William Marsden

ANNOTATIONS AND COMMENTS

The Supplementary Agreement was signed in London on June 6, 1996, by the Chargé d'Affaires at the United States Embassy, Timothy E. Deal, and the U.K. Assistant Under Secretary of State William Marsden.

SUPPLEMENTARY ADMINISTRATIVE AGREEMENT AMENDING THE ADMINISTRATIVE AGREEMENT FOR THE IMPLEMENTATION OF THE AGREEMENT ON SOCIAL SECURITY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland;

In accordance with Article 15(a) of the Agreement on Social Security between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America signed on their behalf at London on 13th February 1984 (hereinafter referred to as "the Agreement") as amended by the Supplementary Agreement of this date;

Have agreed to amend the Administrative Agreement for implementation of the Agreement as follows:-

The original administrative agreement was signed on February 13, 1984, the same date as the principal U.S.-U.K. Social Security agreement. Both instruments also became effective on January 1, 1985. The administrative agreement establishes various policies and procedures for implementation of the principal agreement.

SUPPLEMENTARY ADMINISTRATIVE AGREEMENT

Article 1

(1) Article 2 paragraph 1 of the Administrative Agreement shall be revised to read as follows:

"1. The liaison agencies referred to in Article 15 of the Agreement shall be:

(a) for the United States,

the Social Security Administration,

(b) for the United Kingdom,

(i) in Great Britain,

For all contingencies except Articles 4 to 6 of the Agreement and the provision of United Kingdom insurance records for Disability Benefit,

Department of Social Security
Pensions and Overseas
Benefits Directorate
Tyneview Park
Whitley Road, Benton
Newcastle upon Tyne
England
NE98 1BA

For Articles 4 to 6 of the Agreement and to provide United Kingdom insurance records for Disability Benefit,

ANNOTATIONS AND COMMENTS

Article 2 of the original Administrative Agreement designates liaison agencies for the United States and the United Kingdom that have primary responsibility for coordinating benefit claim and coverage determination procedures in the two countries. Article 1.1 of the Supplementary Administrative Agreement updates the listing of U.K. liaison agencies to reflect the current designation of these bodies. The Social Security Administration (SSA) remains the liaison agency for the United States.

Contributions Agency
International Services
Longbenton
Newcastle upon Tyne
England
NE98 1YX

(ii) in Northern Ireland,

Social Security Agency
Overseas Branch
Commonwealth House
Castle Street
Belfast
Northern Ireland
BT1 1DX

(iii) in the Isle of Man,

Department of Health and
Social Security
Markwell House
Market Street
Douglas
Isle of Man
IM1 2RZ

(iv) in Jersey,

Employment and
Social Security Department
Philip Le Feuvre House
La Motte Street
St Helier
Jersey
Channel Islands
JE4 8PE

(v) in Guernsey,

Guernsey Social Security
Authority
Edward T Wheadon House
Le Truchot
St Peter Port
Guernsey
Channel Islands
GY1 3WH.".

2) Article 9 paragraph 1 of the Administrative greement shall be revised by adding the following entence at the end thereof:

"However, the Agencies of the two Parties may agree on a different allocation of expenses for medical examinations arranged under this paragraph.".

Article 9.1 of the original Administrative Agreement provides that where a medical examination is necessary to establish eligibility for or continuing entitlement to benefits under one country's system, and the claimant or beneficiary resides in the other country, the agency of the country of residence will, upon request, arrange for the examination. The provision stipulates that the cost of the examination is the responsibility of the agency that requests the examination.

In November 1992, the two countries entered into an Administrative Understanding on Mutual Assistance pursuant to Article 15(a) of the Agreement, under which both sides agreed to provide nonreimbursable administrative assistance to each other in certain types of cases which are to be agreed upon by the agencies of both countries. Article 1.2 of the Supplementary Administrative Agreement amends Article 9.1 of the original Administrative Agreement so that the U.S. or U.K. agency may provide assistance to the agency of the other country in arranging medical examinations on a nonreimbursable basis if that appears appropriate in the future within the framework of a mutual assistance arrangement.

Article 2

ıis Supplementary Administrative Agreement shall ıter into force on the date of entry into force f the Supplementary Agreement of this date amend- ıg the Agreement.

The Supplementary Administrative Agreement will enter into force on the same date as the Supplementary Agreement.

ONE at London on 6 June 1996 in duplicate.

The Supplementary Administrative Agreement was signed in London on June 6, 1996, by the Chargé d'Affaires at the United States Embassy, Timothy E. Deal, and the United Kingdom Assistant Under Secretary of State William Marsden.

OR THE GOVERNMENT OF HE UNITED STATES OF MERICA:	FOR THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:
imothy E. Deal	William Marsden

ANNEX B

REPORT TO CONGRESS ON THE FINANCIAL EFFECT OF THE UNITED STATES-UNITED KINGDOM SUPPLEMENTARY SOCIAL SECURITY AGREEMENT SIGNED ON JUNE 6, 1996

Under the supplementary agreement, the basic provisions of the original agreement regarding the elimination of dual coverage and taxation remain unchanged. The primary purpose of the supplementary agreement is to allow expanded payment of U.K. disability benefits to U.S. residents. It is estimated that this provision would result in a small increase in U.K. benefit payments.

The supplementary agreement will also establish a 1-year minimum U.K. coverage requirement that a person must meet before the United Kingdom will consider U.S. coverage under the totalization benefit provisions of the agreement. This change, intended to avoid the administrative burden of processing claims that would result in very small benefit amounts, is expected to result in a small reduction in U.K. benefit payments.

It is estimated that the supplementary agreement would affect fewer than 500 people each year and would result in a net increase in benefit payments from the U.K. Social Security system of less than $500,000 each year for the next few years.

Social Security Administration
July 1996

ANNEX C

AGREEMENT ON SOCIAL SECURITY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Agreement and administrative agreement both signed at London February 13, 1984; entered into force January 1, 1985, except Part III of the agreement entered into force January 1, 1988.

Amended by supplementary agreement and supplementary administrative agreement signed at London June 6, 1996.

The following is a composite version of the U.S.-U.K. Social Security Agreement, marked to show revisions made by the Supplementary Agreement, signed June 6, 1996. Text in underlined bold italics has been added; text in brackets with strikeout markings has been deleted.

AGREEMENT ON SOCIAL SECURITY
BETWEEN THE GOVERNMENT
OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND

The Government of the United States of America and

The Government of the United Kingdom of Great Britain and Northern Ireland,

Being desirous of regulating the relationship between their two countries in the field of Social Security, have agreed as follows:

PART I

General Provisions

ARTICLE 1

For the purpose of this Agreement:

1. "Territory" means,

as regards the United States, the States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, ~~and~~ American Samoa ***and the Commonwealth of the Northern Mariana Islands***, and

as regards the United Kingdom, England, Scotland, Wales, Northern Ireland, and also the Isle of Man, ***the Island of Jersey,*** and the Islands of [~~Jersey,~~] Guernsey, Alderney, Herm and Jethou; and references to the "United Kingdom" or to "territory" in relation to the United Kingdom shall include the Isle of Man, ***the Island of*** Jersey, ***and the Islands of*** Guernsey, Alderney, Herm and Jethou where appropriate;

2. "Laws" means,

the laws specified in Article 2 of this Agreement, or regulations or Orders emanating from those laws, which are applicable in the territory of a Party or in any part thereof;

3. "Competent Authority" means,

[~~as regards the United States, the Secretary of Health and Human Services, and~~

~~as regards the United Kingdom, the Secretary of State for Social Services, the Department of Health and Social Services of Northern Ireland, the Isle of Man Board of Social Security, the Social Security Committee of the States of Jersey or the States of Guernsey Insurance Authority, as the case may require,~~]

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

as regards the United Kingdom, the Department of Social Security for Great Britain, the Department of Health and Social Services for Northern Ireland, and the Department of Health and Social Security of the Isle of Man, the Employment

and Social Security Committee of the States of the Island of Jersey or the Guernsey Social Security Authority as the case may require;

4. "Agency" means,

as regards the United States, the Social Security Administration, and

as regards the United Kingdom, the Departmental and independent authorities duly appointed to decide the matter in question;

5. "Period of coverage" means,

as regards the United States, 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 under the laws of the United States, or any similar period insofar as it is recognized by such laws as equivalent to a period of coverage, and

as regards the United Kingdom, it means an insurance period;

6. "Benefit" means,

any benefit, pension or allowance provided for in the laws of either Party, including any increase of, or any additional amount payable with a benefit, pension or allowance;

7. As regards the United Kingdom:

(a) "insurance period" means,

a contribution period or an equivalent period;

(b) "contribution period" means,

a period in respect of which contributions appropriate to the benefit in question are payable, have been paid or treated as paid;

(c) "equivalent period" means,

a period for which contributions appropriate to the benefit in question have been credited;

(d) "survivor's benefit" means,

widow's allowance, ***widow's payment,*** widowed mother's allowance and widow's pension;

(e) "child's survivor benefit" means,

guardian's allowance and child's special allowance;

(f) "laws on coverage" means,

the laws and regulations relating to the imposition of liability for the payment of social security contributions[~~.~~]*;*

(g) "qualifying period" for invalidity benefit means,

(i) a period of incapacity of 364 days under the laws of Great Britain, Northern Ireland or the Isle of Man, or

(ii) a period of incapacity of 364 days under the laws of Jersey, or

(iii) a period of incapacity of 156 days, excluding Sundays, under the laws of Guernsey;

(h) "first contribution condition" means,

(i) under the laws of Great Britain, Northern Ireland or the Isle of Man, that a person has paid at least 52 Class I or Class II contributions at any time before 6 April 1975, or has paid, in one contribution year, Class I or Class II contributions producing an earnings factor of at least 50 times that year's lower earnings limit in a tax year beginning on or after 6 April 1975, or

(ii) under the laws of Jersey, that a person has paid contributions prior to the end of the relevant quarter and the annual contribution factor derived from these contributions is not less than 0.25, or

(iii) under the laws of Guernsey, that a person has paid at least 26 reckonable contributions since 4 January 1965 or the date of his entry into the Guernsey scheme;

(i) "second contribution condition" means,

(i) under the laws of Great Britain, Northern Ireland or the Isle of Man, that a person has either paid

or been credited with Class I or Class II contributions producing an earnings factor of at least 50 times the lower earnings limit in each of the last 2 complete contribution years before the relevant benefit year, or

(ii) under the laws of Jersey, that a person has paid or been credited with contributions in respect of the relevant quarter and the quarterly contribution factor derived from those contributions is 1.00, or

(iii) under the laws of Guernsey, that a person has paid or been credited with at least 26 reckonable contributions in the relevant contribution year;

(j) a "qualifying year" means,

(i) at least 50 weeks of insurance for periods before 6 April 1975, or that the person has received, or been treated as having received, earnings of at least 52 times the lower earnings limit in a tax year after 5 April 1978 under the laws of Great Britain, Northern Ireland and the Isle of Man, or

(ii) an annual contribution factor of 1.00 under the laws of Jersey, or

(iii) 50 weeks under the laws of Guernsey;

(k) a "reckonable year" means a tax year between 6 April 1975 and 5 April 1978 during which contributions have been paid on earnings received (or treated as received) of at least 50 times the lower earnings limit for that year;

(l) "prescribed period" means, in relation to Jersey and Guernsey, the period commencing on the same date under the laws of Jersey or Guernsey, as the case may be, as the relevant period for the purposes of old age pension and ending on 31 December next preceding the date on which entitlement to invalidity benefit first arose;

(m) "sickness benefit" means,

(i) short-term incapacity benefit at the lower, higher or long-term rate payable under the legislation of Great Britain, Northern Ireland or the Isle of Man, or

(ii) sickness benefit payable under the legislation of Jersey or Guernsey;

(n) "invalidity benefit" means,

(i) long-term incapacity benefit, additional pension, invalidity allowance and incapacity age addition payable under the legislation of Great Britain, Northern Ireland or the Isle of Man, or

(ii) invalidity benefit payable under the legislation of Jersey or Guernsey.

ARTICLE 2

1. For the purpose of this Agreement, the applicable laws are:

(a) 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) Chapter 2 and Chapter 21 of the Internal Revenue Code of [~~1954~~] *1986* and regulations pertaining to those chapters;

(b) As regards the United Kingdom,

[~~(i) the Social Security Acts 1975 to 1982 and the Social Security (Northern Ireland) Acts of 1975 to 1982,~~]

(i) the Social Security Administration Act 1992, the Social Security Contributions and Benefits Act 1992, the Social Security (Consequential Provisions) Act 1992 and the Social Security (Incapacity for Work) Act 1994;

(ii) the Social Security Administration (Northern Ireland) Act 1992, the Social Security Contributions and Benefits (Northern Ireland) Act 1992, the Social Security (Consequential Provisions) (Northern Ireland) Act 1992 and the Social Security (Incapacity for Work) (Northern Ireland) Order 1994;

[~~(ii) the Social Security Acts 1975 to 1982 (Acts of Parliament) as applied to the Isle of Man by Orders made under the provisions of the Social Security Act 1982 (an Act of Tynwald),~~]

(iii) the Social Security Administration Act 1992, the Social Security Contributions and Benefits Act 1992, the Social Security (Consequential Provisions) Act 1992 and the Social Security (Incapacity for Work) Act 1994 (Acts of Parliament) as those Acts apply to the Isle of Man by virtue of Orders made, or having effect as if made, under the Social Security Act 1982 (an Act of Tynwald);

[~~iii~~] *(iv)* the Social Security (Jersey) Law, 1974;

[~~iv~~] *(v)* the Social Insurance (Guernsey) Law, 1978;

and the laws which were *repealed or* consolidated by those Acts, Laws or Orders or repealed by legislation consolidated by them.

2. The Agreement shall apply also to any law which supersedes, replaces, amends, supplements or consolidates the laws specified in paragraph 1 of this Article.

3. Unless the Parties agree otherwise, as regards the United Kingdom, this Agreement:

(a) shall apply only to benefits described in the laws specified in paragraph 1(b) of this Article at the date of entry into force of this Agreement and for which specific provision is made in this Agreement; and

(b) shall not apply to any laws which relate to a branch of Social Security not covered by the laws specified in paragraph 1(b) of this Article unless the two Parties make an agreement to that effect.

4. This Agreement shall not apply to Regulations on Social Security of the institutions of the European Communities or to any convention or other international agreement on social security which either Party has concluded with a third party or to any laws or regulations which amend the laws specified in paragraph 1 of this Article for the purpose of giving effect to such a convention or agreement but shall not prevent either Party from taking into account under its laws the provisions of any other convention or agreement which that Party has concluded with a third Party.

ARTICLE 3

A person who is or has been subject to the laws of one Party and who resides within the territory of the other Party shall, together with his dependants, receive equal treatment with nationals of the other Party in the application of the laws of the other Party regarding the payment of benefits.

PART II

Provisions on Coverage

ARTICLE 4

1. Except as otherwise provided in this Part, a person employed within the territory of one of the Parties shall, with respect to that employment, be subject to the laws on coverage of only that Party. Where a person is subject only to the laws on coverage of the United Kingdom in accordance with this paragraph, those laws shall apply to him as if he were ordinarily resident in the territory of the United Kingdom.

2. Where a person who is covered under the laws on coverage of one Party and is ***normally*** employed by an employer in the territory of that Party is sent by that employer to work in the territory of the other Party, the person shall be subject only to the laws on coverage of the former Party, as if he were employed in the territory of the former Party, provided that the period of work in the territory of the latter Party is not expected to exceed 5 years, or such longer period as may be agreed upon by the Competent Authorities in a particular case. This paragraph does not apply to employment as an officer or member of a crew on a ship or aircraft.

3. ~~[A person who would otherwise be covered under the laws on coverage of both Parties with respect to self-employment performed in the territory of either Party shall be subject only to the laws on coverage of the Party in whose territory he ordinarily resides.]~~

A person who is covered under the laws on coverage of either Party with respect to self-employment shall be subject only to the laws on coverage of the Party in whose territory he ordinarily resides.

4. Where a person is employed under the laws on coverage of one Party and self-employed under the laws on coverage of the other party for the same activity, he shall be subject only to the laws on coverage of the Party in whose territory he ordinarily resides.

5. A person who would otherwise be covered under the laws on coverage of both Parties with respect to employment as an officer or member of a crew on a ship or aircraft shall, in respect of that employment, be subject only to the laws on coverage of the United Kingdom if he ordinarily resides in the territory of the United Kingdom, and only to United States laws on coverage if he ordinarily resides in the territory of the United States.

6. A person who ordinarily resides in the territory of the United Kingdom and who is not employed or self-employed shall be subject to the laws on coverage of only the United Kingdom with respect to Social Security contributions.

ARTICLE 5

1. 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.

2. Notwithstanding Article 4, nationals of one of the Parties who are employed by the National Government of that Party in the territory of the other Party and to whom the provisions mentioned in paragraph 1 of this Article do not apply, shall be subject to the laws on coverage of only the first Party, as if they were employed in the territory of that Party. For the purposes of the United States, employment by the National Government shall include employment by an instrumentality of the United States Government.

ARTICLE 6

The Competent Authorities of the two Parties may grant an exception to the provisions in this Part, in respect of particular persons or categories of persons, provided that the affected persons will be subject to the laws on coverage of one of the Parties.

PART III

Benefit Provisions

ARTICLE 7

1. Except as otherwise provided in this Agreement, any provision of United States laws which restricts entitlement to or payment of cash benefits for persons who are not nationals of the United States solely because such persons reside outside or are

absent from the territory of the United States shall not be applicable to persons who reside in the territory of the United Kingdom.

2. Subject to the provisions of paragraph 3 of this Article ***and the provisions of Article 14***, a person who would be entitled to receive an old age pension, a retirement pension, ~~[or]~~ a survivor's benefit ***or invalidity benefit*** under the laws of the United Kingdom if he were in the United Kingdom shall be entitled to receive that pension or benefit while he ordinarily resides in the territory of the United States, as if he were in the United Kingdom.

3. A person who is entitled to receive an old age pension, a retirement pension or a survivor's benefit under the laws of the United Kingdom and who would be entitled to receive an increase in the rate of that pension or benefit if he were in the United Kingdom shall, after the date of entry into force of Part III of this Agreement, be entitled to receive any such increase prescribed after that date by those laws if he ordinarily resides in the territory of the United States; but nothing in this paragraph shall confer entitlement to receive any such increases prescribed before that date by those laws.

4. Where under the laws of the United Kingdom, an increase of any of the benefits for which provision is made in this Agreement would be payable for a dependant if the dependant were in the United Kingdom, it shall be payable while the dependant is in the territory of the United States.

CHAPTER A

Provisions Applicable to the United States

ARTICLE 8

1. Where a person has completed at least six quarters of coverage under United States laws, but does not have sufficient periods of coverage to satisfy the requirements for entitlement to benefits under United States laws, the Agency of the United States shall take into account periods of coverage which are creditable under the laws of the United Kingdom and which do not coincide with periods of coverage already credited under United States laws for the purpose of establishing entitlement to benefits under this Article.

2. In determining eligibility for benefits under paragraph 1, the Agency of the United States shall credit:

(a) one quarter of coverage for every thirteen contributions or fraction thereof paid or credited in any contribution year before April 6, 1975 under the laws specified in Article 2.1(b)(i) and (ii); and

(b) one quarter of coverage for every thirteen contributions calculated in accordance with Article 9.5, or fraction thereof, paid or credited in any United Kingdom tax year beginning after April 5, 1975 under the laws specified in Article 2.1(b)(i) and (ii); and

(c) one quarter of coverage for each annual contribution factor of 0.25 or any part thereof which has been derived under the laws specified in Article 2.1(b)(iii); and

(d) one quarter of coverage for every thirteen contributions or fraction thereof paid or credited in any contribution year under the laws specified in Article 2.1(b)(iv);

provided, however, that periods of coverage credited under United States laws shall not exceed four quarters of coverage in any calendar year.

3. Where entitlement to a benefit under United States laws is established according to the provisions of paragraph 1, the Agency of the United States shall compute a pro rata Primary Insurance Amount in accordance with United States laws based on the duration of a worker's periods of coverage completed under United States laws. Benefits payable under United States laws shall be based on the pro rata Primary Insurance Amount.

4. Entitlement to a benefit from the United States which results from paragraph 1 shall terminate with the acquisition of sufficient periods of coverage under United States laws to establish entitlement to an equal or higher benefit without the need to invoke the provisions of paragraph 1.

CHAPTER B

Provisions Applicable to the United Kingdom

ARTICLE 9

1. For the purpose of calculating entitlement to a retirement pension or a survivor's benefit under the laws specified in Article 2.1(b)(i) and (ii) of this Agreement, for each quarter of coverage credited to a person under the laws of

the United States before 6 April 1975 the person shall be treated as having paid thirteen contributions under the laws specified in Article 2.1(b)(i) and (ii).

2. For the purpose of calculating entitlement to a basic retirement pension or a basic survivor's benefit provided under the laws specified in Article 2.1(b)(i) and (ii) of this Agreement, for each quarter of coverage credited under the laws of the United States after 5 April 1975 a person shall be treated as having paid thirteen contributions on earnings equivalent to the lower earnings level under the laws specified in Article 2.1(b)(i) and (ii).

3. For the purpose of calculating the appropriate contribution factor to establish entitlement to old age pension or survivor's benefit under the laws specified in Article 2.1(b)(iii) of this Agreement, a person shall be treated for each quarter of coverage credited under the laws of the United States as having paid contributions which derive an annual contribution factor of 0.25.

4. For the purpose of calculating entitlement to old age pension or survivor's benefit under the laws specified in Article 2.1(b)(iv) of this Agreement, each quarter of coverage credited under the laws of the United States shall be treated as if it had been a contribution period of thirteen weeks completed as an employed or self-employed person under the laws specified in Article 2.1(b)(iv).

5. For the purpose of converting into periods of coverage any earnings-factor achieved in any tax year commencing on or after 6 April 1975 under the laws specified in Article 2.1(b)(i) and (ii) of this Agreement, the Competent Authority of the United Kingdom shall divide the earnings-factor by that tax year's lower earnings limit. The result shall be expressed as a whole number, any remaining fraction being ignored. The figure so calculated shall be treated as representing the number of weeks in the insurance period completed in that tax year under those laws.

ARTICLE 10

1. Subject to the provisions of paragraph 2 of this Article, where a person is entitled to an old age pension or a basic retirement pension, as the case may be, under the laws of the United Kingdom, otherwise than by virtue of the provisions of this Agreement, that pension shall be payable and the provisions of Article 11, except for Article 11.3, of this Agreement shall not apply under these laws.

2. For the purpose of paragraph 1 of this Article, a lower-rate Category B retirement pension payable to a married woman by

virtue of the contributions of her husband shall be treated as if it were not a retirement pension and the words "old age pension or a retirement pension" should be construed as referring only to a contributory pension.

ARTICLE 11

1. The provisions of this Article shall apply for the purpose of determining entitlement to old age pension, or basic retirement pension, as the case may be, under the laws of the United Kingdom or under the laws of any one part of the territory of the United Kingdom, under which there is no entitlement in respect of a person in accordance with the provisions of Article 10 of this Agreement.

2. In accordance with Article 9 of this Agreement, the relevant Agency of the United Kingdom shall determine:

(a) the amount of the theoretical pension which would be payable if all the periods of coverage completed by that person under the laws of both Parties had been completed under its own laws;

(b) the proportion of that theoretical pension which bears the same relation to the whole as the total of the periods of coverage completed by him under its laws bears to the total of all the periods of coverage which he has completed under the laws of both Parties.

The proportionate amount thus calculated shall be the pension actually payable to the person by the Agency of the United Kingdom.

3. ~~[Where a person's periods of coverage completed under the Laws of Jersey total less than an annual contribution factor of 1.00, or, under the Laws of Guernsey total less than 50 weeks, or, in all other cases, total less than one qualifying year (or total less than 50 weeks if the periods all were before 6 April 1975), then:]~~

~~[(a) these periods shall be aggregated as if they had all been completed under the laws of any part of the territory of the United Kingdom under which a pension is payable or would be payable if the periods were aggregated; and]~~

~~[(b) where two such pensions are or would be payable, the periods shall be aggregated under the laws of that part of the territory of the United Kingdom under which the pension is first payable or, if they are both first payable on the same date, under the laws of that part which pays the greater amount on that date.]~~

Where the periods of coverage completed by a person under the laws of:

(i) either Great Britain, Northern Ireland or the Isle of Man amount to less than one reckonable year, or, as the case may be, qualifying year, or relate only to periods before 6 April 1975 and in aggregate amount to less than 50 weeks, or

(ii) Jersey amount to less than an annual contribution factor of 1.00, or

(iii) Guernsey amount to less than 50 weeks,

those periods shall be aggregated as if they had all been completed under the laws of any part of the territory of the United Kingdom under which a pension is payable or would be payable if the periods were aggregated, or, where two such pensions are or would be payable, under the laws of that part which, at the date on which entitlement first arose or arises, is paying or would pay the greater amount. Where the aggregate of the periods of coverage is less than one qualifying year or reckonable year, this Article and Article 9 shall not apply.

4. For the purpose of applying the provisions of paragraph 2 of this Article, the Agency of the United Kingdom shall take account only of periods of coverage, completed under the laws of either Party, which would be taken into account for the determination of pensions under its laws if they were completed under its laws and, in relation to a woman, shall, where appropriate, take into account in accordance with those laws periods of coverage completed by her husband.

5. Where a period of coverage credited to a person under the laws of the United States after 5 April 1975 falls within a relevant United Kingdom tax year which is not a qualifying year, those periods of coverage may be reallocated to any other tax year commencing on or after 6 April 1975 if this would be to the advantage of that person.

6. The provisions of paragraph 2 of this article shall not apply to any graduated pension payable under the laws of the United Kingdom, or to any increase of pension payable in respect of deferred retirement, or to any increase of benefit payable in respect of a dependent child, but any such pension or increase, or increases, shall be added to the amount of pension which has been calculated and has become payable in accordance with paragraph 2.

7. Where a period of coverage completed under the laws of the United Kingdom overlaps with a period of coverage creditedunder the laws of the United States, the United Kingdom shall take account only of the period of coverage completed under its laws.

ARTICLE 12

The provisions of Articles 10 and 11 of this Agreement shall apply also in a claim for basic survivor's benefit under the laws of the United Kingdom, with such modifications as the differing nature of the benefits may require.

ARTICLE 13

Where a person in the United Kingdom is entitled to a child's survivor benefit in respect of a child in the United Kingdom, that benefit shall not cease to be payable solely because that person and, or, the child is in the territory of the United States.

ARTICLE 14

~~[1. The provisions of paragraphs 2 to 5 of this Article shall apply to claims for invalidity benefit under the laws of the United Kingdom other than under the laws of Jersey.]~~

~~[2. Subject to the provisions of paragraph 4 of this Article, a person in the territory of the United States, other than a person who is entitled to disability insurance benefits under the laws of the United States solely by virtue of his United States coverage, shall be entitled to receive invalidity benefit under the laws of the United Kingdom as if he had received sickness benefit for 168 days under those laws, provided that:]~~

~~[(a) he has been credited with at least four quarters of coverage under the laws of the United States during the two years preceding the onset of his incapacity and he has been credited with a period of coverage under those laws since his last arrival in the territory of the United States; and]~~

~~[(b) he has completed a period of coverage in any one tax year under the laws of the United Kingdom which amounts to at least fifty times the lower earnings level for that year and, at the date on which he last left the United Kingdom, he satisfied the minimum contribution conditions applicable to sickness benefit under the laws of the United Kingdom or, in a case where the claim for benefit is made under the laws of Guernsey, he has~~

completed a period, or periods, of coverage which amount to at least fifty weeks under the laws of Guernsey and, at the date on which he left Guernsey, he satisfied the minimum contribution conditions applicable to sickness benefit under those laws, and]

[(c) at the date on which his incapacity commenced he had not been absent from the territory of the United Kingdom for a period of five years from the end of the United Kingdom tax year in which he last completed a compulsory period of coverage under the laws of the United Kingdom, and]

[(d) he is incapacitated for work and has been so incapacitated for a continuous period of 168 days, excluding Sundays.]

[The rate of invalidity benefit payable by virtue of this paragraph shall be ascertained in accordance with the provisions of paragraph 3 of this Article.]

[3. Taking account of sub-paragraphs (a) and (b) of this paragraph, the relevant Agency of the United Kingdom shall ascertain the proportion of the standard rate of invalidity benefit provided under the laws of the United Kingdom in the same ratio as the total of the periods of coverage completed under its laws bears to the total periods of coverage completed under the laws of both Parties. For the purpose of this paragraph, "standard rate of invalidity benefit" means the standard rate of benefit including any age allowance and any additional amount or amounts payable in respect of a dependant or dependants, but does not include the amount of any additional component or graduated pension which shall be payable, where appropriate, in addition to any invalidity benefit calculated in accordance with this paragraph.]

[(a) the provisions of paragraphs 4, 5, 6 and 7 of Article 11 and the provisions of Article 9 of this Agreement shall apply to periods of coverage credited under the laws of the United States as if the references in those Articles to an old age pension, a retirement pension or a pension were references to invalidity benefit,]

[(b) For the purposes of calculating the proportion of benefit referred to above, no account shall be taken of any period of coverage completed after the day on which his incapacity commenced.]

[The amount of benefit calculated in accordance with the above provisions of this paragraph shall be the amount of invalidity benefit actually payable to that person.]

[4. Invalidity benefit under the laws of the United Kingdom shall not be payable to a person in the territory of the United States by more than one part of the territory of the United Kingdom for the same period. Where such benefit would otherwise be payable by more than one such part, that benefit shall be payable only under the laws of the territory under which that person last completed a period of coverage, or, where two such periods have been completed simultaneously, under the laws of the territory in which he is, or last was, resident.]

[5. Subject to the provisions of paragraph 11 of this Article, invalidity benefit shall not be payable under the laws of the United Kingdom to a person in the United Kingdom if he is entitled to receive disability insurance benefits under the laws of the United States solely by virtue of his coverage under those laws.]

[6. The provisions of paragraphs 7 to 9 of this Article shall apply to claims for sickness benefit or invalidity benefit, as the case may be, under the laws of Jersey.]

[7. Subject to the provisions of paragraph 4 of this Article, a person in the territory of the United States, other than a person who is entitled to disability insurance benefits under the laws of the United States solely by virtue of his United States coverage, shall be deemed to have received sickness benefit for 168 days under the laws of Jersey and shall be entitled to receive sickness benefit for a further 144 days provided that:]

[(a) he has been credited with at least four quarters of coverage under the laws of the United States during the two years preceding the onset of his incapacity and he has been credited with a period of coverage under those laws since his last arrival in the territory of the United States, and]

[(b) he has completed a period of coverage under the laws of Jersey which amounts to at least an annual contribution factor of 1.00 and, at the date on which he last left Jersey he satisfied the minimum contribution conditions applicable to sickness benefit under the laws of Jersey, and]

[(c) at the date on which his incapacity commenced he had not been absent from Jersey for a period of five years from the end of the quarter in which he last was liable to complete a period of coverage under the laws of Jersey, and]

[~~(d) he is incapacitated for work and has been so incapacitated for a continuous period of 168 days, excluding Sundays.~~]

[~~The rate of sickness benefit payable by virtue of this paragraph shall be ascertained in accordance with the provisions of paragraph 8 of this Article.~~]

[~~8. Taking account of sub-paragraphs (a) and (b) of this paragraph, the Agency of Jersey shall ascertain the proportion of the standard rate of sickness benefit provided under the laws of Jersey in the same ratio as the total of the periods of coverage completed under its laws bears to the total of the periods of coverage completed under both its laws and the laws of the United States. For the purpose of this paragraph, "standard rate of sickness benefit" means the standard rate of benefit including any additional amount payable therewith in respect of a dependant.~~]

[~~(a) the provisions of paragraphs 4 and 7 of Article 11 and the provisions of Article 9 of this Agreement shall apply to periods of coverage credited under the laws of the United States as if the references in those Articles to an old age pension, a retirement pension or a pension were references to sickness benefit,~~]

[~~(b) for the purpose of calculating the proportion of benefit referred to above, no account shall be taken of any period of coverage completed after the day on which his incapacity commenced.~~]

[~~The amount of benefit calculated in accordance with the above provisions of this paragraph shall be the amount of sickness benefit actually payable to that person.~~]

[~~9. A person entitled to sickness benefit under the laws of Jersey by virtue of the provisions of paragraphs 7 and 8 of this Article, shall, if still incapacitated for work after he has received sickness benefit for 144 days, be deemed to have received sickness benefit for 312 days under the laws of Jersey and shall be entitled to receive invalidity benefit under those laws while he is in the territory of the United States, provided that he remains incapacitated for work. The rate of invalidity benefit payable by virtue of this paragraph shall be ascertained by applying the provisions of paragraph 8 of this Article as if the references therein to sickness benefit were references to invalidity benefit.~~]

[~~10. Subject to the provisions of paragraph 11 of this Article, a person in the territory of Jersey shall not be entitled to receive invalidity benefit or sickness benefit under~~

~~the laws of Jersey if he is entitled to receive disability insurance benefits under the laws of the United States solely by virtue of his coverage under those laws.]~~

~~[11. A person in the territory of the United Kingdom shall be entitled to receive invalidity benefit under its laws, or sickness benefit under the laws of Jersey, without regard to paragraph 5 or paragraph 10 of this Article provided that he satisfies the conditions applicable to that benefit under those laws and he was resident in the territory of the United Kingdom for a period of five years prior to the onset of the incapacity which gives rise to the invalidity benefit entitlement, or, as the case may be, sickness benefit entitlement.]~~

1. The provisions of paragraphs 2 to 5 of this Article shall apply to claims for invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man.

2. A person who has satisfied the first contribution condition for sickness benefit as defined in Article 1 using contributions under the laws of Great Britain, Northern Ireland or the Isle of Man only, who is in the territory of the United States and is not subject to the laws on coverage of Great Britain, Northern Ireland or the Isle of Man under Articles 4, 5 or 6 of this Agreement, shall be entitled to receive invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man provided that:

(a) the second contribution condition for sickness benefit under the laws of the United Kingdom is satisfied using relevant periods of coverage under the laws of the United Kingdom and, if necessary, the United States, and

(b) the person is incapacitated for work and has been so incapacitated throughout the qualifying period for invalidity benefit, in which case the person shall be treated as if sickness benefit followed by invalidity benefit, under the laws of Great Britain, Northern Ireland or the Isle of Man, had been paid throughout that period of incapacity.

For the purposes of sub-paragraph (a), a person will be considered to meet the second contribution condition if he is credited with at least 2 quarters of coverage under the laws of the United States in each of the last 2 complete contribution years before the relevant benefit year. The relevant Competent Authority of Great Britain, Northern Ireland or the Isle of Man will reallocate any quarter of coverage credited to a person under the laws of the United States within a calendar year to any other calendar quarter within that year if it is needed to satisfy the second contribution condition in a relevant

contribution year, as long as it has not been used to satisfy the second contribution condition in any other relevant contribution year.

The rate of the invalidity benefit payable shall be that which would be paid under the laws of Great Britain, Northern Ireland or the Isle of Man without the application of this Agreement unless a disability benefit under the laws of the United States is in payment, whether or not under the provisions of this Agreement, in which case the rate of invalidity benefit payable shall be determined in accordance with the provisions of paragraph 3 of this Article.

3. Taking account of sub-paragraphs (a) and (b) of this paragraph, the relevant Agency of Great Britain, Northern Ireland or the Isle of Man shall ascertain the proportion of invalidity benefit provided under its laws in the same ratio as the total of the periods of coverage completed under its laws bears to the total periods of coverage completed under the laws of both Parties.

(a) The provisions of paragraphs 1, 2 and 5 of Article 9 and the provisions of paragraphs 4, 6 and 7 of Article 11 of this Agreement shall apply to periods of coverage credited under the laws of the United States as if the references in those Articles to an old age pension, a retirement pension or a pension were references to invalidity benefit.

(b) For the purpose of calculating the proportion of benefit referred to above, no account shall be taken of any period of coverage completed after the day on which a person's incapacity commenced.

The amount of benefit calculated in accordance with the above provisions of this paragraph shall be the amount of invalidity benefit actually payable to that person.

4. Where a person in the territory of Great Britain, Northern Ireland or the Isle of Man, or a person outside the territory of Great Britain, Northern Ireland or the Isle of Man who is entitled to an invalidity benefit under the relevant legislation other than under paragraph 2 of this Article, is in receipt of invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man and also is in receipt of a disability benefit under the laws of the United States, whether or not under the provisions of this Agreement, the rate of invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man shall be determined in accordance with the provisions of paragraphs 3 and 5 of this Article.

5. Where a person to whom the provisions of paragraph 4 apply:

(a) would have been entitled to receive invalidity benefit under the laws of Great Britain, Northern Ireland or the Isle of Man, without recourse to this Agreement; and

(b) is entitled to receive both invalidity benefit under paragraph 3 and a disability benefit under the laws of the United States, whether or not under the provisions of this Agreement, and the sum of these two benefits is less than the amount of invalidity benefit to which the person would otherwise have been entitled under (a);

the competent authority of Great Britain, Northern Ireland or the Isle of Man shall calculate the difference between the amounts of benefit calculated in accordance with sub-paragraphs (a) and (b), on the date that entitlement to invalidity benefit payable under paragraph 3 first arose, and shall pay that amount in addition to the invalidity benefit payable. The additional sum will remain in payment under the same conditions as the invalidity benefit and subject to the equivalent increases in amount, as appropriate.

6. Notwithstanding any other provision of this Agreement, invalidity benefit shall be payable under the laws of Jersey only in accordance with the provisions of paragraphs 7 to 9 of this Article.

7. For the purpose of qualifying for invalidity benefit, a person who is in the territory of the United States and

(a) has satisfied the first contribution condition for invalidity benefit using contributions under the laws of Jersey only; and

(b) has satisfied the second contribution condition for invalidity benefit using relevant periods of coverage under the laws of either Party; and

(c) is incapable of work, and has been so incapable throughout the qualifying period for invalidity benefit;

shall be treated as if he had been entitled to sickness benefit throughout that period.

For the purposes of sub-paragraph (b), a person will be considered to meet the second contribution condition if he is credited with at least 2 quarters of coverage under the laws of the United States in each of the last 2 complete calendar years before the calendar year in which the claim for benefit was made.

8. Where a person has satisfied the conditions set out in paragraph 7, the Competent Authority of Jersey shall determine the actual rate of invalidity benefit payable as the amount that bears the same relation to the standard rate of benefit as the life average contribution factor during the prescribed period bears to 1.00, except that no benefit shall be payable where the factor is less than 0.1.

9. Where a person who is in Jersey is entitled to invalidity benefit under the laws of Jersey, that benefit shall be payable.

10. Notwithstanding any other provision of this Agreement, invalidity benefit shall be payable under the laws of Guernsey only in accordance with the provisions of paragraphs 11 to 13 of this Article.

11. For the purpose of qualifying for invalidity benefit, a person who is in the territory of the United States or Guernsey and

(a) has satisfied the first contribution condition for sickness benefit using contributions under the laws of Guernsey only;
and

(b) has satisfied the second contribution condition for sickness benefit using relevant periods of coverage under the laws of either Party; and

(c) is incapable of work, and has been so incapable throughout the qualifying period for invalidity benefit;

shall be treated as if he had been entitled to sickness benefit throughout that period.

For the purpose of sub-paragraph (b), each quarter of coverage credited under the laws of the United States in the relevant contribution year shall be treated as if it had been a contribution period of thirteen weeks completed as an employed or self-employed person in the relevant contribution year.

12. Where a person has satisfied the conditions set out in paragraph 11, the Competent Authority of Guernsey shall:

(a) deem the contribution conditions for the payment of invalidity benefit satisfied provided that the periods of coverage under the laws of Guernsey total one qualifying year; and

(b) calculate the amount of invalidity benefit to be paid, subject to paragraph 13, as being the proportion, not

exceeding 100%, of the standard rate which the total number of contributions paid or credited in Guernsey during the prescribed period bears to the product of the number of years in that period and fifty: save that if the amount so calculated is less than one-twentieth of the standard rate, no benefit shall be payable.

13. Where a person is in Guernsey and

(a) is entitled to invalidity benefit under the laws of Guernsey solely through the application of paragraphs 11 and 12, or has been entitled to such a benefit in relation to the claim in question solely through the application of those paragraphs; and

(b) is in receipt of a disability benefit under the laws of the United States, whether or not by virtue of this Agreement;

the amount of the invalidity benefit payable under the laws of Guernsey shall be reduced by the amount by which the aggregate of both benefits exceeds the standard rate of invalidity benefit under the laws of Guernsey.

14. No person in relation to whom invalidity benefit is payable under the provisions of this Agreement shall receive a contribution credit from Jersey or Guernsey unless present in Jersey or Guernsey, as the case may be.

15. Where a person's periods of coverage under the laws of a part of the United Kingdom total less than one qualifying year, or one reckonable year, these periods shall be aggregated as if they had all been completed under the laws of any part of the territory of the United Kingdom under which a sickness benefit or an invalidity benefit is payable or would be payable if the periods were aggregated, or, where two such benefits are or would be payable, under the laws of that part which, at the date on which entitlement first arose or arises, is paying or would pay the greater amount. Where the aggregate of the periods of coverage is less than one qualifying year, or one reckonable year, this Article shall not apply.

[~~12.~~] *16.* Notwithstanding any other provision of this Article, a person in the territory of the United States who is subject to the laws on coverage of the United Kingdom by virtue of any of the Articles 4 to 6 of this Agreement and who satisfies the contribution conditions applicable to sickness benefit under those laws shall, for the purpose of determining his entitlement to invalidity benefit under those laws:

(a) be treated as if he were in the territory of the United Kingdom; and

(b) each day of incapacity for work while in the territory of the United States may, where appropriate, be treated as if it were a day for which he had received sickness benefit under the laws of the United Kingdom.

[~~13.~~] 17. Any restriction which would otherwise be applicable under the laws of the United Kingdom in the rate of benefit payable to persons who are not ordinarily resident in the territory of the United Kingdom shall not apply to persons in the territory of the United States who are in receipt of invalidity benefit under the laws of the United Kingdom by virtue of the provisions of this Agreement.

PART IV

Miscellaneous Provisions

ARTICLE 15

The Competent Authorities of the two Parties shall:

(a) Make such administrative arrangements as may be necessary for the application of this Agreement;

(b) Designate liaison agencies for the implementation of this Agreement;

(c) Communicate to each other information concerning the measures taken by them for the application of this Agreement; and

(d) Communicate to each other, as soon as possible, all information concerning changes in their respective laws insofar as these changes affect the application of this Agreement.

ARTICLE 16

The Competent Authorities and Agencies of the Parties, within the scope of their respective authorities, shall assist each other in implementing this Agreement. This assistance shall be free of charge subject to any exceptions to be agreed upon in an administrative agreement.

ARTICLE 17

1. Where the laws of one Party provide that any certificate or other document which is submitted under the laws of that Party

shall be exempt, wholly or partly, from taxes, fees or charges, including consular and administrative fees, the exemption shall also apply to any certificate or document which is submitted under the laws of the other Party or under the provisions of this Agreement.

2. Copies of documents which are certified as true and exact copies by the Agency of one Party shall be accepted as true and exact copies by the Agency of the other Party, without further certification. The Agency of each Party shall be the final judge of the probative value of the evidence submitted to it from whatever source.

ARTICLE 18

1. A written application for benefits filed with an Agency of one Party shall protect the rights of the claimants under the laws of the other Party if the applicant (a) requests that it be considered an application under the laws of the other Party, or (b) in the absence of a request that it not be so considered, provides information at the time of application indicating that the person on whose record benefits are claimed has completed periods of coverage under the laws of the other Party.

2. An applicant may request that an application filed with an Agency of one Party be effective on a different date under the laws of the other Party within the limitations of and in conformity with the laws of the other Party.

3. For the purposes of United States laws, the provisions of Part III of this Agreement shall apply only to an application for benefits which is filed on or after the date on which Part III enters into force.

ARTICLE 19

1. A written appeal to, or against, a determination made by the Agency of one Party may be validly filed with an Agency of the other Party. The appeal shall be dealt with according to the appeal procedure of the laws of the Party which has jurisdiction.

2. Any claim, notice or written appeal which, under the laws of one Party, must have been filed within a prescribed period with the Agency of that Party, but which is instead filed within the same period with the Agency of the other Party, shall be considered to have been filed on time.

ARTICLE 20

In any case to which the provisions of Article 18 or Article 19 apply, the Agency to which the claim, notice or written appeal has been submitted shall transmit it without delay to the Agency of the other Party.

ARTICLE 21

1. Disagreements between the two Parties regarding the interpretation or application of this Agreement shall, as far as possible, be resolved through agreement of the Competent Authorities.

2. [~~If a disagreement cannot be resolved by the Competent Authorities, it shall be submitted, at the request of either Party, for arbitration in accordance with procedures to be agreed upon by the Competent Authorities.~~]

If a disagreement cannot be resolved through negotiation, the Competent Authorities will endeavour to settle the issue through arbitration, mediation, or other mutually agreed procedure.

ARTICLE 22

This Agreement may be amended in the future by supplementary agreements which, from their entry into force, shall be considered an integral part of this Agreement.

PART V

Transitional and Final Provisions

ARTICLE 23

Upon the entry into force of Part III of this Agreement, the Notes exchanged between the Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom and the Ambassador of the United States of America on 23 and 25 September 1969 shall cease to have effect and shall be replaced by this Agreement; provided, however, that any right to benefit outside the territory of the United Kingdom acquired by a person in accordance with the provisions of the Notes exchanged shall be maintained; and provided that no person shall suffer any loss of rights outside the territory of the United Kingdom which he had under the Notes exchanged or any such rights he would have had if those Notes exchanged had not been replaced by this Agreement.

ARTICLE 24

1. In the application of Part III of this Agreement, consideration shall be given to periods of coverage and other events which occurred prior to the entry into force of Part III, insofar as they are relevant to rights under the laws specified in Article 2.1. However, neither Party shall take into account periods of coverage occurring prior to the earliest date for which periods of coverage may be taken into account under its laws.

2. No provision of this Agreement shall confer any right:

(a) to receive a benefit for any period before the date of entry into force of Part III of the Agreement, or

(b) to receive a lump-sum death benefit under the laws of the United States if the person died before the date of entry into force of Part III of the Agreement.

3. Determinations made before the entry into force of Part III of this Agreement concerning entitlement to benefits shall not affect rights arising under Part III.

4. The period of work referred to in Article 4.2 shall be measured beginning on the date on which Part II of this Agreement enters into force.

5. Notwithstanding the provisions of Article 27 concerning the effective date of Part III of this Agreement, Article 7.1 shall enter into force on the date on which Parts I, II, IV and V of this Agreement enter into force.

ARTICLE 25

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 26

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 denunciation is given by one Party to the other Party.

2. If this Agreement is terminated by denunciation, rights regarding entitlement to or payment of benefits acquired under it shall be retained; the Parties shall make arrangements dealing with rights in the process of being acquired.

ARTICLE 27

1. This Agreement, except for Part III, shall enter into force on the first day of the second month following the month in which each Government has received from the other Government written notification that all statutory and constitutional requirements have been complied with for the entry into force of this Agreement.

2. Part III of this Agreement shall enter into force on the first day of the thirty-sixth month following the month in which Parts I, II, IV and V of this Agreement enter into force.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

Done in duplicate at London this 13th day of February 1984.

For the Government of the United States of America:

CHARLES H. PRICE, II

For the Government of the United Kingdom of Great Britain and Northern Ireland:

[BARONESS] YOUNG

ADMINISTRATIVE AGREEMENT FOR THE IMPLEMENTATION
OF THE AGREEMENT ON SOCIAL SECURITY
BETWEEN THE UNITED STATES OFAMERICA
AND THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND OF 13 FEBRUARY 1984

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland,

In accordance with the provision of Article 15 of the Agreement on Social Security between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland of 13 February 1984, hereinafter referred to as the "Agreement", have agreed as follows:

CHAPTER A

General Provisions

ARTICLE 1

Terms used in this Administrative Agreement shall have the same meaning as in the Agreement.

ARTICLE 2

1. The liaison agencies referred to in Article 15 of the Agreement shall be:

(a) for the United States,

the Social Security Administration,

(b) for the United Kingdom,

(i) In Great Britain, ~~[the Department of Health and Social Security, Overseas Branch, Newcastle upon Tyne NE98 1YX,]~~

For all contingencies except Articles 4 to 6 of the Agreement and the provision of United Kingdom insurance records for Disability Benefit.

Department of Social Security
Pensions and Overseas Benefits Directorate
Tyneview Park
Whitley Road, Benton
Newcastle upon Tyne
England
NE98 1BA

For Articles 4 to 6 of the Agreement and to provide United Kingdom insurance records for Disability Benefit,

Contributions Agency
International Services
Longbenton
Newcastle upon Tyne
England
NE98 1YX

(ii) in Northern Ireland, [~~the Department of Health and Social Services, Overseas Branch, Castle Buildings, Stormont, Belfast, Northern Ireland BT4 3HH~~;]

Social Security Agency
Overseas Branch
Commonwealth House
Castle Street
Belfast
Northern Ireland
BT1 1DX

(iii) in the Isle of Man, [~~the Isle of Man Board of Social Security, Hill Street, Douglas, Isle of Man,~~]

Department of Health and Social Security
Markwell House
Market Street
Douglas
Isle of Man
IM1 2RZ

(iv) in Jersey, [~~the States of Jersey Social Security Department, Philip Le Feuvre House, La Motte Street, St. Helier, Jersey, Channel Islands,~~]

Employment and Social Security Department
Philip Le Feuvre House
La Motte Street
St Helier
Jersey
Channel Islands
JE4 8PE

(v) in Guernsey, [~~the States Insurance Authority, Bordage House, 7-9 The Bordage, St. Peter Port, Guernsey, Channel Islands.~~]

Guernsey Social Security Authority
Edward T Wheadon House
Le Truchot
St Peter Port
Guernsey
Channel Islands
GY1 3WH.

2. The liaison agencies designated in paragraph 1 shall agree upon joint procedures and forms necessary for the implementation of the Agreement and this Administrative Agreement.

CHAPTER B

Provisions on Coverage

ARTICLE 3

1. Where the laws of a Party are applicable in accordance with Articles 4, 5 or 6 of the Agreement, the Agency of that Party, upon request of the employer, employee or self-employed person, shall issue a certificate stating that the concerned employee or self-employed person is covered by those laws. The certificate shall be proof that the employee or self-employed person is exempt from the laws on compulsory coverage of the other Party. The liaison agencies of the Parties shall co-operate and assist one another as appropriate in ensuring that persons are covered under the laws of one or the other Party.

2. The certificate referred to in paragraph 1 shall be issued by the appropriate liaison agency of either Party.

CHAPTER C

Provisions on Benefits

ARTICLE 4

1. The liaison agency of the Party with which an application for benefits is first filed in accordance with Article 18 of the Agreement shall inform the liaison agency of the other Party of this fact without delay, using forms established for this purpose. It shall also transmit documents and such other available information as may be necessary for the Agency of the other Party to establish the right of the applicant to benefits according to the provisions of Part III of the Agreement. In the case of an application for disability benefits it shall, in particular, transmit all relevant medical evidence in its possession concerning the disability of the applicant.

2. The liaison agency of a Party which receives an application filed with an Agency of the other Party shall without delay provide the liaison agency of the other Party with such evidence and other available information as may be required to complete action on the claim.

3. The Agency of the Party with which an application for benefits has been filed shall verify the accuracy of the information pertaining to the applicant and his family members. The types of information to be verified shall be agreed upon by the liaison agencies.

ARTICLE 5

In the application of Article 8 of the Agreement, the liaison agency of the United Kingdom shall notify the United States liaison agency of the weeks or years in which a person is credited with periods of coverage under the laws of the United Kingdom, along with such other information as may be necessary to determine the amount of the person's benefit.

ARTICLE 6

In the application of Article 9 of the Agreement, the United States liaison agency shall notify the appropriate liaison agency of the United Kingdom of the periods of coverage completed under United States laws, along with such other information as may be necessary to determine the amount of the person's benefit.

CHAPTER D

Miscellaneous Provisions

ARTICLE 7

In accordance with the measures to be agreed upon pursuant to Article 2 of this Administrative Agreement, the Agency of one Party shall, upon request of the Agency of the other Party, furnish available information relating to the claim of any specified individual for the purpose of administering the Agreement.

ARTICLE 8

The liaison agencies of the two Parties shall assist each other as far as possible in the compilation and exchange of statistics on the administration of the Agreement.

ARTICLE 9

1. Where the Agency of a Party requires that a claimant or beneficiary submit to a medical examination, such examination, if requested by that Agency, shall be arranged by the Agency of the other Party in whose territory the claimant or beneficiary is present, in accordance with the rules of the Agency making the arrangements and at the expense of the Agency which requests the examination. ***However, the Agencies of the two Parties may agree on a different allocation of expenses for medical examinations arranged under this paragraph.***

2. Upon request, the agency of either Party shall furnish without expense to the Agency of the other Party any medical information and documentation in its possession relevant to the disability of the claimant or beneficiary.

3. Amounts owed under Article 16 of the Agreement and paragraph 1 of this Article shall be reimbursed upon presentation of a statement of expenses.

ARTICLE 10

Unless authorized by the national statutes of the United States or the national legislation of the United Kingdom, as the case may be, information about an individual which is transmitted in accordance with the Agreement to one Party by the other Party shall be used exclusively for purposes of implementing the Agreement. Such information received by a Party shall be

governed, as the case may be, by the national statutes of the United States, or the national legislation of the United Kingdom, for the protection of privacy and confidentiality of personal data.

ARTICLE 11

This Administrative Agreement shall enter into force on the date of entry into force of the Agreement and shall have the same period of validity.

Done in duplicate at London this 13th day of February 1984.

For the Government of the United States of America:	For the Government of the United Kingdom of Great Britain and Northern Ireland:
CHARLES H. PRICE, II	[BARONESS] YOUNG

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