108th Congress, 1st Session – – – – – – – – – – – – – – House Document 108–38

AN AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF NORWAY ON SOCIAL SECURITY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

AN AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF NORWAY ON SOCIAL SECURITY, WITH A RELATED ADMINISTRATIVE AGREEMENT, BOTH SIGNED AT OSLO ON NOVEMBER ON NOVEMBER 30, 2001, PURSUANT TO 42 U.S.C. 433(e)(1)

FEBRUARY 11, 2003.—Referred to the Committee on Ways and Means and ordered to be printed

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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 Agreement Between the United States of America and the Kingdom of Norway on Social Security, with a related administrative agreement, both signed at Oslo on November 30, 2001. This revised Agreement is intended to modify certain provisions of the original United States and Norwegian Agreement, which was signed in Washington on January 13, 1983, and, upon its entry into force, will replace the 1983 Agreement.

The revised United States-Norwegian Agreement is similar in objective to the other social security agreements already in force with Austria, Belgium, Canada, Chile, Finland, France, Germany, Greece, Ireland, Italy, Korea, Luxembourg, The Netherlands, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Such bilateral agreements provide for limited coordination between the United States and foreign social security systems to eliminate dual social security coverage and taxation, and to help prevent the lost benefit protection that can occur when workers divide their careers between two countries. The revised United States-Norwegian Agreement contains all provisions mandated by section 233 and other provisions, which I deem appropriate to carry out the purposes of section 233, pursuant to section 233(c)(4).

I also transmit for the information of the Congress a report prepared by the Social Security Administration explaining the key points of the Agreement, along with a paragraph-by-paragraph explanation of the provisions of the principal agreement and the administrative agreement. Annexed to this report is the report required by section 233(e)(1) of the Social Security Act, a report on the effect of the Agreement on income and expenditures of the United States Social Security program and the number of individuals affected by the Agreement. The Department of State and the Social Security Administration have recommended the Agreement and related documents to me.

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

GEORGE W. BUSH.

THE WHITE HOUSE, *February 5, 2003.*

AGREEMENT

BETWEEN THE UNITED STATES OF AMERICA

AND THE KINGDOM OF NORWAY

ON SOCIAL SECURITY

The Government of the United States of America

and

The Government of the Kingdom of Norway,

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

PART I

Definitions and Laws

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 Virgin Islands, Guam, American Samoa and the Northern Mariana Islands, and as regards Norway, the territory of the Kingdom of Norway;

2. "Norwegian Continental Shelf" means the sea bed and its subsoil of the submarine areas outside the coast of the Kingdom of Norway over which Norway has sovereign rights for the purpose of exploring it and exploiting its natural resources;

3. "National" means, as regards the United States, a national of the United States as defined in Section 101, Immigration and Nationality Act of 1952, as amended, and as regards Norway, a person of Norwegian nationality;

4. "Laws" means the laws and regulations specified in Article 2;

5. "Competent Authority" means, as regards the United States, the Commissioner of Social Security, and as regards Norway, the Ministry of Health and Social Affairs;

6. "Agency" means, as regards the United States, the Social Security Administration, and as regards Norway, the office or authority responsible for applying all or part of the laws designated in Article 2;

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

8. "Benefit" means any benefit provided for in the laws of either Contracting State;

9. "Stateless person" means a person defined as a stateless person in Article 1 of the Convention relating to the Status of Stateless Persons dated September 28, 1954;

10. "Refugee" means a person defined as a refugee in Article 1 of the Convention relating to the Status of Refugees dated July 28, 1951, and the Protocol to that Convention dated January 31, 1967.

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,

      (ii) Chapter 2 and Chapter 21 of the Internal Revenue Code of 1986 and regulations pertaining to those chapters;

   (b) As regards Norway:

      The National Insurance Act of 28 February 1997, except chapters 4, 5, 8, 9, 13, 14 and 15, unless otherwise provided in Part III.

2. Unless otherwise provided in this Agreement, laws within the meaning of paragraph 1 shall not include treaties or other international agreements concluded between one Contracting State and a third State, or laws or regulations promulgated for their specific implementation.

PART II

General Provisions

Article 3

This Agreement, unless it provides otherwise, shall apply to:

(a) nationals of either Contracting State,

(b) refugees,

(c) stateless persons,

(d) other persons with respect to the rights they derive from a national of either Contracting State, a refugee or a stateless person, and

(e) nationals of a State other than a Contracting State who are not included among the persons referred to in paragraph (d) of this Article, and who are or have been subject to the laws of a Contracting State.

Article 4

1. Unless otherwise provided in this Agreement, the persons designated in Article 3 (a), (b), (c) or (d) who reside in the territory of either Contracting State shall, in the application of the laws of a Contracting State, receive equal treatment with the nationals of that Contracting State.

2. Nationals of a Contracting State who reside outside the territories of both Contracting States shall receive benefits provided by the laws of the other Contracting State under the same conditions which the other Contracting State applies to its own nationals who reside outside the territories of both Contracting States.

3. Unless otherwise provided in this Agreement, the laws of a Contracting State under which entitlement to or payment of cash benefits is dependent on residence or presence in the territory of that Contracting State shall not be applicable to the persons designated in Article 3 who reside in the territory of the other Contracting State.

4. This Article shall be applied by the United States in a manner consistent with Section 233(c)(4) of the United States Social Security Act.

PART III

Provisions on Coverage

Article 5

1. Unless otherwise provided in this Article, a person employed within the territory of one of the Contracting States shall with respect to that employment be subject to the laws on compulsory coverage of only that Contracting State.

2. (a) If a person in the service of an employer having a place of business in the territory of one Contracting State is sent by that employer to the territory of the other Contracting State for a temporary period, the person shall be subject to the laws on compulsory coverage of only the first Contracting State as if he were still employed in the territory of the first Contracting State, provided that his employment in the territory of the other Contracting State is not expected to last for more than 5 years. The spouse and children who accompany a person sent by an employer located in the territory of one Contracting State to the territory of the other Contracting State shall be subject to the laws on compulsory coverage of only the first Contracting State for any period in which they are not employed in the other Contracting State.

   (b) For purposes of applying this paragraph in the case of an employee who is sent from the territory of the United States by an employer in that territory to the territory of Norway, that employer and an affiliated company of the

employer (as defined under the laws of the United States) shall be considered one and the same, provided that the employment would have been covered under United States laws absent this Agreement.

(c) This paragraph shall not apply in the case of a person who is sent from the territory of Norway to the territory of the United States unless the person is on a Norwegian payroll as determined by Norwegian legislation.

(d) This paragraph shall also apply in cases where a person is employed in the territory of a third State, but compulsorily covered under the laws of one of the Contracting States, and is then sent by his employer to the territory of the other Contracting State.

(e) This paragraph shall also apply in cases where a national of a State other than a Contracting State is sent by an employer in the territory of one Contracting State to the territory of the other Contracting State, provided that its application does not conflict with any provision of another treaty or international agreement between a Contracting State and a third State.

(f) With respect to this paragraph, a person who is sent by an employer having a place of business in the territory of Norway to the territory of the United States shall be subject to Norwegian laws, including those chapters of the National Insurance Act excepted from the scope of this Agreement in Article 2.1 (b).

(g) With respect to this paragraph, a person who is sent by an employer having a place of business in the territory of the United States to the territory of Norway and who is subject to United States laws shall also be excluded from coverage and exempt, together with the employer, from contributions under all chapters of the National Insurance Act except Chapters 5, 8, 9 and 14.

3. (a) The provisions of paragraph 1 shall also apply in cases where a person is resident in Norway and employed on installations for the exploration or exploitation of natural resources on the Norwegian continental shelf.

(b) The provisions of paragraph 2 shall also apply in cases where a person is employed on installations for the exploration or exploitation of natural resources on the Norwegian continental shelf as if he were employed in the territory of Norway.

(c) A United States national not resident in Norway, employed on an installation for the exploration or exploitation of natural resources on the Norwegian continental shelf, to whom the provisions of paragraph 2 do not apply, and who is subject to United States laws with respect to that employment shall be exempt from Norwegian laws as defined in Article 2.1 (b) and remain subject to United States laws.

4. A person who is self-employed in the territory of either Contracting State and who is a resident of one Contracting State shall be subject to the laws on compulsory coverage of only the Contracting State of which he is a resident.

5. (a) This Agreement shall not affect the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.

   (b) Nationals of one of the Contracting States who are employed by the Government of that Contracting State in the territory of the other Contracting State but who are not exempt from the laws of the other Contracting State by virtue of the Conventions mentioned in subparagraph (a) shall be subject to the laws on compulsory coverage of only the first Contracting State. For the purpose of this paragraph, employment by the United States Government includes employment by an instrumentality thereof.

6. If a person is employed as an officer or member of a crew on a vessel which flies the flag of one Contracting State and is subject to the laws on compulsory coverage of both Contracting States, the person shall be subject to the laws on compulsory coverage of only the Contracting State whose flag the vessel flies. With respect to this paragraph, a vessel which flies the flag of the United States is one defined as an American vessel under the laws of the United States.

7. This Agreement does not affect the right of Norwegian nationals who are resident or present in the United States to apply for voluntary insurance under the National Insurance Scheme of Norway.

8. After the entry into force of this Agreement, the provisions of Section 2-13 of the Norwegian National Insurance Act concerning exemptions from the National Insurance Scheme shall no longer be applied to persons to whom this Agreement is applicable.

9. The Competent Authority of one Contracting State may grant an exception to the provisions of this Article if the Competent Authority of the other Contracting State agrees, provided that the affected person shall be subject to the laws of one of the Contracting States.

PART IV

Provisions on Benefits

Chapter I

Provisions Applicable to the United States

Article 6

1. Where a person has completed at least six quarters of coverage under United States laws, but does not have sufficient quarters of coverage to satisfy the requirements for entitlement to benefits under United States laws, pension point years completed under Norwegian laws shall be taken into account to the extent they do not coincide with calendar quarters already credited as quarters of coverage under United States laws.

2. In determining eligibility for benefits under paragraph 1 of this Article, the agency of the United States shall credit four quarters of coverage for each pension point year certified as creditable by the agency of Norway; however, no quarter of coverage shall be credited for any calendar quarter already credited as a quarter of coverage under United States laws. The total number of quarters of coverage to be credited for a year shall not exceed four.

3. 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 provision of paragraph 1.

4. 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 (a) the person's average earnings credited exclusively under United States laws and (b) the ratio of the duration of the person's periods of coverage completed under United States laws to the duration of a coverage lifetime as determined in accordance with United States laws. Benefits payable under United States laws shall be based on the pro rata Primary Insurance Amount.

Chapter II

Provisions Applicable to Norway

Article 7

1. (a) Where a person has completed at least three years of coverage under Norwegian laws, or one year if covered while performing occupational activity in Norway, prior to the insured contingency, quarters of coverage completed under United States laws shall be taken into account to determine entitlement to disability, survivors and old-age pensions

provided they do not coincide with periods of coverage already credited under Norwegian laws. To become entitled to a Norwegian supplementary pension based on the preceding sentence, pension points must have been credited for at least one year on the basis of occupational activity for at least one year.

(b) Four quarters of coverage completed under United States laws shall correspond to one year of coverage under Norwegian laws.

2. (a) If entitlement to a benefit exists under Norwegian laws without recourse to the provisions of this Agreement, the benefit shall be computed in accordance with Norwegian laws.

(b) If entitlement to a disability or survivors benefit under Norwegian laws exists only according to the provisions of this Agreement, the benefit shall be computed in the following manner:

(i) The benefit amount shall be determined which would have been payable if the person's periods of coverage under United States laws had been periods of coverage under Norwegian laws.

(ii) This amount shall be multiplied by the ratio between the person's actual periods of coverage under Norwegian laws and the sum of the person's periods of coverage under both Norwegian and United States laws.

(iii) If the person's total periods of coverage under Norwegian laws, or the sum of such periods and periods of coverage under United States laws, exceeds 40 years, then the actual period, or sum of periods, shall be replaced by the figure "40" for the purposes of the said calculation.

(iv) A supplementary pension shall be computed on the basis of the average annual pension point figure for the years during which the person concerned has been credited with pension points under Norwegian laws in accordance with the rules for the calculation of the final pension point figure under the National Insurance Act.

(v) The provisions of Paragraph 1(b) shall apply as appropriate.

3. If entitlement to an old-age pension under Norwegian laws exists only according to the provisions of this Agreement, the old-age pension shall be computed on the basis of periods of coverage fulfilled and pension point years credited under Norwegian laws.

4. A Norwegian disability or survivors pension shall be converted to an old-age pension when the person reaches the general pension age. The old-age pension shall be computed on the basis of periods of coverage and pension point years used to compute the disability or survivors pension.

5. Supplementary pensions payable to persons to whom this Agreement applies shall be computed in accordance with the overcompensation provisions of Section 3-9 of the National Insurance Act. Pension increments due to overcompensation shall also be paid to persons to whom this Agreement applies when they are resident in the territory of the United States. The provisions of paragraph 1 shall not apply in relation to Section 3-9 of the National Insurance Act.

6. Payment of rehabilitation benefits, basic benefits, attendance benefits, guaranteed minimum supplementary pension benefits to persons becoming disabled at birth or at a young age, education benefits and child care benefits to persons not resident or present in the territory of Norway shall be determined in each case pursuant to Norwegian laws.

7. Pensions already payable prior to 1 January 1991 which do not take into account all periods of residence in Norway prior to 1967 and later than 1936, shall be recalculated upon request from the beneficiary. If the result of this recalculation is more favorable, the differential amount shall be paid retroactively from 1 January 1991.

8. Funeral grants under Norwegian laws shall be payable in respect of persons who were subject to Norwegian laws at the time of their death.

PART V

Miscellaneous Provisions

Article 8

The Competent Authorities of the two Contracting States shall:

(a) Conclude an administrative agreement and make such other administrative arrangements as may be necessary for the implementation and application of this Agreement;

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

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

Article 9

1. The Competent Authorities and the agencies of the Contracting States, within the scope of their respective authority, shall assist each other in implementing this Agreement. This assistance shall be free of charge subject to exceptions to be agreed upon in an administrative agreement.

2. Liaison agencies for the implementation of this Agreement shall be:

   (a) for the United States, the Social Security Administration;

   (b) for Norway, the National Insurance Institution.

Article 10

Where the laws of a Contracting State provide that any document which is submitted to the Competent Authority or an agency of that Contracting State shall be exempted, wholly or partly, from fees or charges, including consular and administrative fees, the exemption shall also apply to documents which are submitted to the Competent Authority or an agency of the other Contracting State in accordance with its laws.

Article 11

1. The Competent Authorities and agencies of the Contracting States may correspond directly with each other and with any person wherever the person may reside whenever it is necessary for the implementation of this Agreement. The correspondence may be in the writer's official language.

2. An application or document may not be rejected because it is in the official language of the other Contracting State.

Article 12

1. A written application for benefits filed with an agency of one Contracting State shall protect the rights of the claimants under the laws of the other Contracting State if the applicant requests that it be considered an application under the laws of the other Contracting State or provides information indicating that the person on whose record benefits are claimed has completed periods of coverage under the laws of the other Contracting State.

2. Notwithstanding paragraph 1, an applicant may specify that an application filed with an agency of one Contracting State not be considered an application under the laws of the other Contracting State or that the application be effective on a different date in the other Contracting State within the limitations of and in conformity with the laws of the other Contracting State.

Article 13

1. A written appeal of a determination made by the agency of one Contracting State may be validly filed with an agency of the other Contracting State.

2. Any claim, notice, or appeal which must be filed within a given period of time with the agency of one Contracting State shall be considered to have been timely filed if the claim, notice, or appeal has been filed within such period with the agency of the other Contracting State. In such case, the agency with which

the claim, notice, or appeal has been filed shall indicate the date of receipt on the document and transmit it without delay to the liaison agency of the other Contracting State.

Article 14

In case provisions designed to restrict the exchange of currencies are issued in either Contracting State, the Governments of both Contracting States shall immediately confer on the measures necessary to insure the transfer of sums owed by either Contracting State under this Agreement.

Article 15

1. Disagreements between the two Contracting States regarding the interpretation or implementation of this Agreement shall, as far as possible, be settled by the Competent Authorities.

2. If a disagreement cannot be resolved by the Competent Authorities of the Contracting States, they shall endeavor to settle the issue through arbitration, mediation or other mutually agreed procedure.

PART VI

Transitional and Final Provisions

Article 16

1. This Agreement shall also apply to events relevant to rights under the laws which occurred prior to its entry into force.

2. This Agreement shall not establish any claim to payment of a benefit for any period before its entry into force or a lump-sum death benefit if the person died before its entry into force.

3. Consideration shall be given to periods of coverage under the laws of either Contracting State occurring before the entry into force of this Agreement, in order to determine the right to benefits under this Agreement.

4. Determinations made before the entry into force of this Agreement shall not affect rights arising under it.

5. This Agreement shall not result in the reduction of cash benefit amounts because of its entry into force.

Article 17

1. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which written notice of its termination is given by one of the Contracting States to the other Contracting State.

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

Article 18

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

2. Nothing in this Agreement shall supersede the exchange of notes between the Ambassador of the United States of America and the Norwegian Foreign Ministry in Oslo on June 26, 1968, concerning old-age, survivors and disability benefits.

3. Upon the entry into force of this Agreement, the Agreement between the United States of America and the Kingdom of Norway on Social Security of January 13, 1983, shall be terminated and shall be replaced by this Agreement.

4. (a) Any right to benefit acquired by a person in accordance with the provisions of the Agreement between the United States of America and the Kingdom of Norway on Social Security of January 13, 1983, shall be maintained.

   (b) Any claim to benefit made but not finally adjudicated at the date upon which this Agreement comes into force, shall be adjudicated according to the provisions of the Agreement between the United States of America and the Kingdom of Norway on Social Security of January 13, 1983, if this gives a more favorable result.

In witness whereof, the undersigned, being duly authorized thereto, have signed the present Agreement.

Done at Oslo on November 30 2001 in duplicate in the English and Norwegian languages, the two texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Jay L. Burns III

FOR THE GOVERNMENT OF THE KINGDOM OF NORWAY:

Ingvild Schore

ADMINISTRATIVE AGREEMENT FOR THE IMPLEMENTATION OF THE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF NORWAY ON SOCIAL SECURITY OF 30.11.01

In conformity with Article 8(a) of the Agreement between the United States of America and the Kingdom of Norway on Social Security of 30.11.01, hereinafter referred to as "the Agreement," the following provisions have been agreed upon:

Chapter 1

General Provisions

Article 1

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

Article 2

The liaison agencies designated in Article 9.2 of the Agreement shall agree upon joint procedures and forms necessary for the implementation of the Agreement and this Administrative Agreement.

Chapter 2

Provisions on Coverage

Article 3

1. Where the laws of a Contracting State are applicable in accordance with Article 5 of the Agreement, the agency of that Contracting State shall issue upon request of the employer, employee or self-employed person a certificate stating that the concerned employee or self-employed person is covered under 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 Contracting State.

2. The certificate referred to in paragraph 1 shall be issued

   - In the United States:

By the Social Security Administration

- In Norway:

  By the local National Insurance Office where the person resides in the cases mentioned in Article 5.1 and 5.4, and by the National Insurance Office for Social Insurance Abroad in the cases mentioned in Article 5.2, 5.3, 5.5 and 5.6.

Chapter 3

Provisions on Benefits

Article 4

1. The agency of the Contracting State with which an application for benefits is first filed in accordance with Article 12 of the Agreement shall inform the agency of the other Contracting State 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 Contracting State to establish the right of the applicant to benefits according to the provisions of Part IV 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 agency of a Contracting State which receives an application filed with an agency of the other Contracting State shall without delay provide the agency of the other Contracting State with such evidence and other available information as may be required to complete action on the claim.

3. The agency of the Contracting State 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 agencies.

Article 5

In the application of Article 6 of the Agreement, the Norwegian liaison agency shall notify the United States liaison agency of the years in which a person is credited with pension points under Norwegian laws.

Article 6

In the application of Article 7 of the Agreement, the United States liaison agency shall notify the Norwegian liaison agency of the periods of coverage completed under United States laws.

Chapter 4

Miscellaneous Provisions

Article 7

In accordance with measures to be agreed upon pursuant to Article 2 of this Administrative Agreement, the agency of one Contracting State shall, upon request of the agency of the other Contracting State, furnish available information relating to the claim of any specified individual for the purpose of administering the Agreement or the laws specified in Article 2.1 of the Agreement.

Article 8

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

Article 9

The liaison agencies of the two Contracting States shall exchange statistics on the payments made to beneficiaries under the Agreement for each calendar year in a form to be agreed upon. The data shall include the number of beneficiaries and the total amount of benefits, by type of benefit.

Article 10

1. Where administrative assistance is requested under Article 9 of the Agreement, expenses other than regular personnel and operating costs of the Competent Authorities and agencies providing the assistance shall be reimbursed in accordance with procedures to be agreed upon by the liaison agencies.

2. Where the agency of a Contracting State 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 Contracting State in which the claimant or beneficiary resides, in accordance with the rules of the agency making the arrangement and at the expense of the agency which requests the examination. The expenses incurred shall be reimbursed in accordance with procedures to be agreed upon by the liaison agencies.

3. Upon request, the agency of either Contracting State shall furnish without expense to the liaison agency of the other Contracting State any medical information and documentation in its possession relevant to the disability of the claimant or beneficiary.

Article 11

The agency of a Contracting State shall pay any cash benefits due to beneficiaries under the Agreement without recourse to the liaison agency of the other Contracting State.

Article 12

Unless authorized by the national statutes of a Contracting State, information about an individual which is transmitted in accordance with the Agreement to that Contracting State by the other Contracting State shall be used exclusively for purposes of implementing the Agreement. Such information received by a Contracting State shall be governed by the national statutes of that Contracting State for the protection of privacy and confidentiality of personal data.

Article 13

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 at Oslo on November 30 2004 in duplicate in the English and Norwegian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:

Joyce Barrs III

FOR THE GOVERNMENT OF
THE KINGDOM OF NORWAY:

Ingunn Schøre

REPORT TO CONGRESS TO ACCOMPANY THE REVISED AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF NORWAY ON SOCIAL SECURITY

INTRODUCTION

The revised agreement on Social Security between the United States and Norway is intended to modify certain provisions of the original U.S.-Norwegian Social Security agreement that was signed on January 13, 1983, and entered into force on July 1, 1984. The revised agreement, like the original agreement, was negotiated under authority of section 233 of the Social Security Act.

U.S.-Norwegian Social Security Agreement

The Social Security agreement between the United States and Norway is one of 19 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 other U.S. Social Security agreements, the agreement with Norway 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. The 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 and their family members can qualify for partial U.S. or Norwegian benefits based on "totalized" (i.e., combined) work credits from both countries.

Revised Agreement

The revised agreement, which was signed by representatives of the U.S. and Norwegian Governments on November 30, 2001, 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 Norwegian law that have occurred since the original agreement was implemented. The primary purpose of the new agreement, however, is to add a provision requested by Norway that will formalize a Norwegian administrative decision that allows certain U.S. citizens to receive credit under the Norwegian Social Security system for periods of Norwegian residence between 1936 and 1967. The new agreement also omits a provision in the existing agreement that can reduce the Norwegian disability or survivors benefits payable to certain people who simultaneously receive a disability or survivors benefit from the United States.

The original U.S.-Norwegian Social Security agreement consists of two separate instruments: a principal agreement and a related administrative agreement. The revised agreement, which is now being transmitted to Congress for review in accordance with section 233(e) of the Social Security Act, likewise consists of two instruments:

(1) a revised agreement amending the original U.S.-Norwegian principal agreement; and

(2) a revised administrative agreement amending the original administrative agreement for implementation of the principal agreement.

Accompanying this report is a paragraph-by-paragraph explanation of the revised agreement and administrative agreement (Annex A) with substantive revisions shown in bold type. Also included is the estimate required by section 233(e)(1) on the effect of the revised agreement on the income and expenditures of the U.S. Social Security program and the number of individuals affected by the agreement (Annex B).

MAIN PROVISIONS OF THE REVISED AGREEMENT

Periods of Norwegian Residence between 1936 and 1967

Norway provides old-age, survivors, and disability benefits through two separate programs--a basic pension program and a supplementary pension program--which together make up what is usually described as a "two-tier" Social Security system. The basic program, or first tier, is a non-work-related, noncontributory program that pays flat-rate old-age, survivors and disability benefits to Norwegian residents in proportion to the number of years they have resided in Norway. The supplementary program constitutes the second tier and is a contributory, earnings-related program. It pays benefits based on the length of a worker's employment or self-employment and the level of his or her earnings.

Benefits under the Norwegian basic pension program are payable at a rate of 1/40 of the full pension for each year of Norwegian residence. The maximum basic pension is paid to a person with 40 years of residence. When computing the amount of a basic pension, Norway generally counts a person's periods of Norwegian residence as far back as 1937, even though the basic pension program did not begin until 1967. Prior to 1991, Norwegian regulations limited the amount of credit that a non-Norwegian resident could receive for pre-1967 residence. These regulations were revised effective in 1991 to make it possible for persons outside of Norway to receive full credit for pre-1967 Norwegian residence. However, one of the requirements to qualify for full credit was that the person must have filed his or her Norwegian benefit claim in 1991 or later.

After the revised Norwegian regulations took effect, the Social Security Administration asked the Norwegian authorities to extend the more generous policy to U.S. residents who had filed their claims before 1991. The Norwegians agreed to do so administratively, but asked that the new policy be incorporated explicitly in the U.S.-Norwegian Social Security agreement at the earliest opportunity. The revised agreement accomplishes this.

Norwegian Disability and Survivors Benefits

Article 7.2(c) of the original agreement has been omitted from the new agreement. Article 7.2(c) had the effect of reducing the amount of Norwegian survivors and disability pensions paid to residents of Norway if they were also entitled to U.S. benefits.

This provision is no longer necessary because of amendments to Norwegian national law that took effect in 1991. These amendments introduced a new method for reducing the benefits of anyone who spent a substantial part of their working lives outside of Norway. This new reduction provision in combination with the existing agreement provision has proven too severe in some cases because both provisions can apply simultaneously to the same beneficiary. This can lead to situations in which a person eligible for both a Norwegian pension and a U.S. benefit receives a lower Norwegian benefit amount than a person who is eligible for a Norwegian pension and a benefit from a country that does not have an agreement with Norway. By omitting Article 7.2(c) from the new agreement, people eligible for both Norwegian and U.S. benefits will have their benefits calculated in accordance with the new national law provision and avoid the double reduction that can occur now.

ANNEX B

REPORT TO CONGRESS ON THE FINANCIAL EFFECT OF
THE REVISED AGREEMENT
BETWEEN THE UNITED STATES AND NORWAY
ON SOCIAL SECURITY
SIGNED ON NOVEMBER 30, 2001

The original Totalization agreement between the United States and Norway was designed to eliminate dual coverage and taxation of the same work and to help prevent gaps in benefit protection for those who have worked in each country. The revised agreement amends the original in several ways. The primary purpose of the new agreement is to formalize a Norwegian administrative decision that allows U.S. citizens to receive credit under the Norwegian Social Security system for periods of Norwegian residence between 1936 and 1967. This provision applies to a closed group of persons who lived in Norway during those years, who filed for Norwegian benefits before 1991, and who request a recalculation. We do not know how many people would be affected, but we think the number is small and the resulting **increase** in benefit payments from the Norwegian system is probably small. The provision should not affect the amount of tax revenues for either Social Security system and should have little or no effect on benefit payments from the U.S. system.

Many of the other changes update and clarify certain provisions to take account of changes in U.S. and Norwegian law that have occurred since the original agreement was implemented. Nearly all of these changes would have little or no effect on taxes or benefits. One of the changes would cause a slight **decrease** in Norwegian benefit payments, because those with less than 1 year of Norwegian work credit and less than 3 years of residence in Norway would not qualify for Norwegian totalized benefits in the future.

The revised agreement also omits a provision (article 7.2(c)) in the original agreement that can reduce the Norwegian disability or survivors benefits payable to certain people who simultaneously receive U.S. benefits. In 1991 Norwegian law was amended to provide a new method for reducing the benefits of some persons who had worked outside of Norway. It is our understanding that Norway has not been applying article 7.2(c) because, in combination with the 1991 law, the provision has proven to be too severe in some cases. Although removing article 7.2(c) provides the necessary legal authority for the Norwegian administrative action, it will not affect the actual amount of benefits paid.

Overall, the changes are expected to have very little effect on benefit payments from the U.S. Social Security system or on taxes for either system. It is estimated that the revised agreement would affect fewer than 500 people each year and would result in a net increase in benefit payments from the Norwegian Social Security system of less than $500,000 each year for the next few years.

Social Security Administration
December 15, 2001

ANNEX A

PRINCIPAL AGREEMENT

Text in **bold type** indicates provisions of the new U.S.-Norwegian Social Security agreement that differ significantly in wording or substance from the corresponding provisions of the original U.S.-Norwegian Social Security agreement signed January 13, 1983.

AGREEMENT
BETWEEN THE UNITED STATES OF AMERICA
AND THE KINGDOM OF NORWAY
ON SOCIAL SECURITY

The Government of the United States of America

and

The Government of the Kingdom of Norway,

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

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United States and Norwegian officials signed the first U.S.-Norwegian Social Security agreement (TIAS 10818) on January 13, 1983, and it entered into force on July 1, 1984. U.S. and Norwegian authorities have now negotiated a new agreement that replaces the original agreement. The text of the new agreement is printed in the left column of this document with explanatory comments on the right.

The primary purpose of the new agreement is to formalize a Norwegian administrative decision that allows U.S. citizens to receive credit under the Norwegian Social Security system for periods of Norwegian residence between 1936 and 1967. The new agreement also repeals a provision in the existing agreement that can reduce the Norwegian disability or survivors benefits payable to certain people who simultaneously receive a disability or survivors benefit from the United States. In addition, the new agreement updates the original agreement to take into account changes in U.S. and Norwegian law that have occurred since the original agreement entered into force and, for easier reference, incorporates the provisions of the Final Protocol to the original agreement in the text of the agreement itself.

Like the original instrument, this document is described as an "Agreement" with the understanding that it will enter into force for Norway as a formal treaty subject to parliamentary ratification and for the United States as an executive agreement under authority of Section 233 of the Social Security Act. Upon entry into force, the new agreement will have the effect of law in both countries and will be binding on both countries.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

PART I
Definitions and Laws

Article 1

For the purpose of this Agreement:

Article 1 defines the key terms used in the agreement.

1. "Territory" means, as regards the United States, the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa **and the Northern Mariana Islands**, and as regards Norway, the territory of the Kingdom of Norway;

The definition of United States "territory" in Article 1.1 of the original U.S.-Norwegian 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 the NMI 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, 1987, when the U.S. Social Security program was first extended there. Article 1.1 of this new agreement makes clear that the definition of United States "territory" includes the NMI.

The definition of Norwegian territory remains unchanged and includes Norway, as well as Norwegian possessions, such as the islands of Svalbard and Jan Mayen.

2. "Norwegian Continental Shelf" means the sea bed and its subsoil of the submarine areas outside the coast of the Kingdom of Norway over which Norway has sovereign rights for the purpose of exploring it and exploiting its natural resources;

Various U.S companies are involved in energy exploration and related activities on the Norwegian continental shelf. Before the U.S.-Norwegian agreement, these companies, along with their employees, were frequently subject to both U.S. and Norwegian Social Security coverage and taxation. Because the Norwegian continental shelf and the waters above it are not part of the actual "territory" of Norway, a separate definition is necessary in order that the provisions of Part III, which eliminate dual coverage within the territories of the two countries, may extend to businesses operating in this area.

PRINCIPAL AGREEMENT	ANNOTATIONS AND COMMENTS
3. "National" means, as regards the United States, a national of the United States as defined in Section 101, Immigration and Nationality Act of 1952, as amended, and as regards Norway, a person of Norwegian nationality;	Under section 101 of the Immigration and Nationality Act of 1952, the term national of the United States means "(A) a citizen of the United States, or (B) a person who, though not a citizen of the United States, owes permanent allegiance to the United States." Those in category (B) include natives of American Samoa. A Norwegian national means any person who is accorded nationality by Norway, including, but not limited to, a person who carries a valid Norwegian passport or other valid identity document designating the person as a Norwegian national.
4. "Laws" means the laws and regulations specified in Article 2;	The term "laws" as used in the agreement refers to the laws and regulations of each country pertaining to old-age, survivors, and disability insurance and to Norwegian laws and regulations on rehabilitation and death benefits as set forth in Article 2.
5. "Competent Authority" means, as regards the United States, **the Commissioner of Social Security**, and as regards Norway, the Ministry of Health and Social Affairs;	"Competent Authority," as used throughout this agreement, refers to the Government entity in each country with ultimate responsibility for administering the Social Security program, including the provisions of the agreement. The new agreement revises the definition of "Competent Authority" in Article 1.5 of the original agreement. The revision takes into account the enactment of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103-296) which removed the Social Security Administration from the Department of Health and Human Services and established it as an independent agency effective March 31, 1995. The revision makes no change in the definition of "Competent Authority" as the term applies to Norway.
6. "Agency" means, as regards the United States, the Social Security Administration, and as regards Norway, the office or authority responsible for applying all or part of the laws designated in Article 2;	"Agency" as used in the agreement refers to the administrative body in each country responsible for taking and processing claims filed under each country's Social Security laws. The Social Security Administration is the agency for the United States. However, the U.S. Internal Revenue Service's responsibility for determining Social Security tax liability in light of SSA coverage determinations under the agreement is not affected.

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	Norway's national insurance scheme is under the jurisdiction of the Ministry of Health and Social Affairs and is administered centrally by the National Insurance Institution. County committees and local insurance offices carry out administrative duties at the regional and local levels. Under the agreement, each of these local and regional offices, as well as the National Insurance Institution, is included within the term "agency." However, the National Insurance Institution is also designated as the Norwegian "liaison agency" in Article 9.2 and as such is the Social Security Administration's principal contact for purposes of implementing and administering the agreement.
7. "Period of coverage" means a period of payment of contributions or a period of earnings from employment or self-employment, as defined or recognized as a period of coverage by the laws under which such period has been completed, or any similar period insofar as it is recognized by such laws as equivalent to a period of coverage;	The term "period of coverage" means any period which is credited under the laws of either country for purposes of determining benefit eligibility, including periods of covered employment or self-employment.
8. "Benefit" means any benefit provided for in the laws of either Contracting State;	"Benefit" refers to old-age, survivors, disability and lump-sum death benefits provided under the Social Security laws of either country. "Benefit" includes rehabilitation benefits payable under the Social Security laws of Norway but excludes special age-72 payments provided for certain uninsured persons under section 228 of the Social Security Act of the United States.
9. "Stateless person" means a person defined as a stateless person in Article 1 of the Convention relating to the Status of Stateless Persons dated September 28, 1954;	The Convention relating to the Status of Stateless Persons defines a stateless person as "a person who is not considered as a national by any State under the operation of its law."
10. "Refugee" means a person defined as a refugee in Article 1 of the Convention relating to the Status of Refugees dated July 28, 1951, and the Protocol to that Convention dated January 31, 1967.	The Convention relating to the Status of Refugees in conjunction with the 1967 Protocol thereto defines a refugee as any person who "owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling

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to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence, is unable or, owing to such fear, is unwilling to return to it."

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,

(ii) Chapter 2 and Chapter 21 of the Internal Revenue Code of **1986** and regulations pertaining to those chapters;

Article 2 specifies the laws to which the agreement applies. For the United States, it applies to title II of the U.S. Social Security Act and the corresponding tax laws (the Self-Employment Contributions Act of 1954 and the Federal Insurance Contributions Act) and any regulations pertaining to those laws. The agreement does not apply to Medicare provisions (section 226 and 226A of the Social Security Act) or provisions for special payments to uninsured individuals age 72 or over under section 228 of the Social Security Act. Persons to whom the agreement applies who qualify independently for Medicare hospital insurance or age-72 payments remain entitled to such benefits. The new agreement changes a reference to the "Internal Revenue Code of 1954" in the original agreement to the "Internal Revenue Code of 1986" in order to conform to the current designation of the U.S. tax law.

(b) As regards Norway:

The National Insurance Act of 28 February 1997, except chapters 4, 5, 8, 9, 13, 14 and 15, unless otherwise provided in Part III.

The new agreement updates references to Norwegian Social Security laws included in the original agreement. The new agreement applies to the National Insurance Act of February 28, 1997, which replaced two laws to which the original agreement applied: the National Insurance Act of June 17, 1966, and the Act of June 19, 1969, on Special Supplements. A third law to which the original agreement applied, the Act of December 19, 1969, on Compensation Supplements, was repealed in 1991. Like the original agreement, the new agreement applies to the Norwegian old-age, survivors, disability, death and rehabilitation provisions in the National Insurance Act, but excludes provisions relating to unemployment benefits (chapter 4), medical benefits (chapter 5), cash sickness benefits (chapters 8, 9 and 14), work injury (chapter 13) and unmarried mother's benefits (chapter 15). Notwithstanding Article 2.1(b),

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Part III of the agreement (Article 5.2 (f) and (g)) provides that a person who is subject to Norwegian laws in accordance with Article 5.2 will be covered under all these programs (including those programs excluded under Article 2.1(b)) and a person who is exempt from Norwegian laws in accordance with Article 5.2 will be exempt, together with the person's employer, from the contributions that finance all these programs (other than medical and cash sickness benefits).

2. Unless otherwise provided in this Agreement, laws within the meaning of paragraph 1 shall not include treaties or other international agreements concluded between one Contracting State and a third State, or laws or regulations promulgated for their specific implementation.

The laws to which the agreement applies do not include treaties and other international agreements (or laws implementing them)--for example, either country's Social Security agreements with third countries or multilateral agreements to which either country is a party such as the multilateral Social Security agreements of the Nordic countries. The purpose of this provision is to ensure that in cases where a person has periods of coverage in the United States and Norway and periods of coverage in a third country with which the United States or Norway has a Social Security agreement, periods from all three countries could not be totalized to meet U.S. or Norwegian benefit eligibility requirements.

PART II
General Provisions

Article 3

This Agreement, unless it provides otherwise, shall apply to:

(a) nationals of either Contracting State,

(b) refugees,

(c) stateless persons,

Article 3 specifies five categories of persons to whom the agreement applies: (1) U.S. or Norwegian nationals, (2) refugees, (3) stateless persons, (4) persons regardless of nationality who derive rights through any of the above, and (5) nationals of other countries who are or have been subject to the laws of the United States or Norway. See Article 1.3, 1.9 and 1.10 for definitions of "national," "stateless person," and "refugee."

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(d) other persons with respect to the rights they derive from a national of either Contracting State, a refugee or a stateless person, and

(e) nationals of a State other than a Contracting State who are not included among the persons referred to in paragraph (d) of this Article, and who are or have been subject to the laws of a Contracting State.

Article 4

1. Unless otherwise provided in this Agreement, the persons designated in Article 3 (a), (b), (c) or (d) who reside in the territory of either Contracting State shall, in the application of the laws of a Contracting State, receive equal treatment with the nationals of that Contracting State.

2. Nationals of a Contracting State who reside outside the territories of both Contracting States shall receive benefits provided by the laws of the other Contracting State under the same conditions which the other Contracting State applies to its own nationals who reside outside the territories of both Contracting States.

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Article 4 contains provisions on equality of treatment of persons to whom the agreement applies and on the exportation of benefit rights. The provisions are similar in effect to those contained in other bilateral agreements concluded by the United States under section 233 of the Social Security Act.

Article 4.1 provides that persons to whom the agreement applies (with the exception of third country nationals designated in Article 3(e)) who reside in the United States or Norway will be accorded the same treatment under that country's Social Security laws as that country accords its own nationals.

Article 4.2 provides that each country will pay benefits to nationals of the other country when they reside outside of both countries on the same basis it pays its own nationals who reside outside both countries. This paragraph is intended to remove certain restrictions on the payment of benefits which one country may impose on nationals of the other country when they reside in a third country. In accordance with Article 4.4, this provision would remove restrictions for the United States only to the extent authorized by section 233(c)(4) of the Social Security Act.

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3. Unless otherwise provided in this Agreement, the laws of a Contracting State under which entitlement to or payment of cash benefits is dependent on residence or presence in the territory of that Contracting State shall not be applicable to the persons designated in Article 3 who reside in the territory of the other Contracting State.

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Article 4.3 provides that where the laws of either country require a person to be resident or present in that country in order to qualify for or receive Social Security benefits, the person may also qualify for and receive those benefits during periods of residence in the other country. Since U.S. law, coupled with a 1968 exchange of notes between the U.S. and Norwegian Governments (see Article 18.2), authorizes payment of benefits to U.S. and Norwegian nationals residing in either country even without the agreement, the primary effect of this paragraph on U.S. law is to permit the United States to pay certain third country nationals who would otherwise be subject to the alien nonpayment provisions of section 202(t) of the U.S. Social Security Act during periods of residence in Norway.

In addition to the U.S. benefit portability guarantee provided for Norwegian residents in Article 4.3, the agreement also liberalizes a restriction on exportation of U.S. dependents and survivors benefits that would otherwise apply to Norwegian citizens and residents. Under U.S. law, Social Security dependents and survivors benefits may not be paid to aliens who first become eligible after 1984 and who are outside the United States for more than 6 months unless they satisfy certain U.S. residency requirements or they are citizens or residents of a country with which the United States has an international Social Security agreement in force. Because of the U.S.-Norwegian Social Security agreement, citizens and residents of Norway are exempt from this payment restriction.

Article 4.3 also permits Norway to pay U.S. residents certain old-age, survivors and disability benefits that would otherwise be payable only to residents of Norway or non-Norwegian residents with at least 20 years of prior Norwegian residence.

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4. This Article shall be applied by the United States in a manner consistent with Section 233(c)(4) of the United States Social Security Act.

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Section 233(c)(1) and (2) of the U.S. Social Security Act specifies certain benefit and coverage provisions which either must be or may be included in U.S. international Social Security agreements. In addition, section 233(c)(4) permits agreements to contain other unspecified provisions which are not inconsistent with the provisions of title II of the Social Security Act. Article 4.4 is intended to make clear that where the only authority for the equality of treatment provisions in this Article is section 233(c)(4), these provisions will be applied by the United States only to the extent they do not conflict with other provisions of title II of the Social Security Act. In the original agreement, this provision was included as paragraph 13 of the Final Protocol.

PART III
Provisions on Coverage

Article 5

Part III is intended to eliminate dual Social Security coverage, the situation that occurs when a worker is covered under the laws of both countries with respect to the same services. In so doing, the existing coverage provisions of the laws of both countries are preserved to the greatest extent possible. The provisions in this Part are intended to eliminate dual coverage by continuing the worker's Social Security coverage and taxation under the system of the country to whose economy he or she has the more direct connection and exempting the worker from coverage and taxation under the other country's system.

Article 5.1 establishes a general rule for eliminating dual Social Security coverage and contributions for persons employed in either the United States or Norway. Article 5.2 contains an exception to this general rule which applies in the case of employees sent by an employer in one country to work temporarily in the other country. Article 5.4 provides for the elimination of dual coverage in the case of self-employed persons.

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Article 5.5 establishes rules applicable to persons employed in U.S. or Norwegian Government service. Article 5.6 precludes dual coverage that might otherwise occur for employees in international shipping.

1. Unless otherwise provided in this Article, a person employed within the territory of one of the Contracting States shall with respect to that employment be subject to the laws on compulsory coverage of only that Contracting State.

Article 5.1 establishes a general territoriality rule which stipulates that a person who performs employment in a country will be compulsorily covered by only that country. Thus, a person working in employment that would otherwise be covered under the laws of both countries remains covered under the system of the country where the employment takes place and is exempt from coverage under the system of the other country.

2. (a) If a person in the service of an employer having a place of business in the territory of one Contracting State is sent by that employer to the territory of the other Contracting State for a temporary period, the person shall be subject to the laws on compulsory coverage of only the first Contracting State as if he were still employed in the territory of the first Contracting State, provided that his employment in the territory of the other Contracting State is not expected to last for more than 5 years. The spouse and children who accompany a person sent by an employer located in the territory of one Contracting State to the territory of the other Contracting State shall be subject to the laws on compulsory coverage of only the first Contracting State for any period in which they are not employed in the other Contracting State.

Under Article 5.2(a), an employee who normally works for an employer located in the United States or Norway and who is temporarily transferred to work in the other country for the same employer will continue to be covered by the Social Security system of the country from which the employee has been transferred. This rule will apply only if the transfer is expected to last 5 years or less.

In accordance with the last sentence of Article 5.2 (a), any family member who accompanies an employee temporarily transferred from one country to the other will be subject only to the laws of the country from which the employee is transferred unless such a family member undertakes employment in the host country, in which case he or she would be subject to the laws of that country. This provision is important with respect to Norwegian laws, which grant Social Security coverage credits to persons who either work in Norway or who reside in Norway. It will, for example, permit family members who accompany workers temporarily transferred from Norway to the United States to continue to receive residence credits under Norwegian law provided they do not work while they are in the United States. It also means that family members who accompany workers temporarily transferred from the United States to Norway will not be covered under Norwegian law unless they work there.

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Article 5.2(a) is identical to Article 5.2 of the original agreement except that it omits the second sentence, which read "The preceding sentence shall apply regardless of whether the remuneration for such service is paid by the employer in the first Contracting State." This sentence was intended to authorize application of the temporary transfer rule in Article 5.2 to employees who are transferred by an employer in one country to work for an affiliated company of the employer in the other country, even if the employee is carried on the foreign affiliate's payroll. However, Norwegian authorities have determined that they cannot apply the temporary transfer rule in the case of an employee who is sent from Norway to the United States unless the employee is carried on a Norwegian payroll, and this is now stipulated in Article 5.2(c). The temporary transfer rule continues to apply under certain conditions in the case of employees sent by U.S. companies to work for affiliates in Norway, and this is now reflected in Article 5.2(b).

(b) For purposes of applying this paragraph in the case of an employee who is sent from the territory of the United States by an employer in that territory to the territory of Norway, that employer and an affiliated company of the employer (as defined under the laws of the United States) shall be considered one and the same, provided that the employment would have been covered under United States laws absent this Agreement.

Article 5.2(b) provides that the rule in Article 5.2(a) will apply in the case of certain employees who are sent by an employer in the United States to work for a subsidiary or other affiliate of that employer in Norway. U.S. law permits American companies to extend U.S. Social Security coverage to U.S. citizens and resident aliens employed by an affiliated company in another country. To do this, the company in the United States must enter into an agreement with the Internal Revenue Service (IRS) to pay Social Security contributions on behalf of all U.S. citizens and residents employed by the foreign affiliate. Under Article 5.2(b), U.S. citizens or resident aliens who are sent by an American employer to work for a foreign affiliated company in Norway for 5 years or less will continue to be covered by the United States and exempt from Norwegian coverage and contributions, provided the affiliate is covered by an IRS agreement.

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(c) **This paragraph shall not apply in the case of a person who is sent from the territory of Norway to the territory of the United States unless the person is on a Norwegian payroll as determined by Norwegian legislation.**	Norwegian law does not provide authority for the collection of Social Security contributions when an employee works outside Norway and is paid from outside Norway. Consequently, Article 5.2(c) stipulates that an employee who is sent from Norway to work temporarily in the United States will not be covered by Norway under Article 5.2(a) unless the employee is on a Norwegian payroll. If the employee is on a non-Norwegian payroll, he or she will be subject only to U.S. law in accordance with the general territoriality rule in Article 5.1.
(d) This paragraph shall also apply in cases where a person is employed in the territory of a third State, but compulsorily covered under the laws of one of the Contracting States, and is then sent by his employer to the territory of the other Contracting State.	Under Article 5.2(d), the provision of Article 5.2(a) can apply even if an employee has not been sent directly from one country to the other but is first assigned to work in a third country. This provision was included as paragraph 2 of the Final Protocol to the original agreement.
(e) This paragraph shall also apply in cases where a national of a State other than a Contracting State is sent by an employer in the territory of one Contracting State to the territory of the other Contracting State, provided that its application does not conflict with any provision of another treaty or international agreement between a Contracting State and a third State.	Article 5.2(e), which was included as paragraph 5 of the Final Protocol to the original agreement, makes clear that a third country national sent from the United States or Norway to the other agreement country for a temporary period will continue to be covered under the Social Security laws of the sending country and will be exempt from coverage and contributions in the host country. However, in the unlikely event this provision conflicts with another international agreement, it will not apply. A conflict could theoretically arise, for example, under the agreement between the United States and Italy if an Italian national is sent from Norway to the United States by an Italian employer. In this case, the U.S.-Italian agreement can result in coverage exclusively under U.S. laws.
(f) With respect to this paragraph, a person who is sent by an employer having a place of business in the territory of Norway to the territory of the United States shall be subject to Norwegian laws, including those chapters of the National Insurance Act excepted from the scope of this Agreement in Article 2.1 (b).	Article 2.1(b), which specifies the Norwegian laws to which the agreement applies, excludes chapters of the Norwegian National Insurance Act of February 28, 1997, dealing with medical care, sickness, unemployment, workers' compensation, and unmarried mothers benefits. Article 5.2(f) makes it clear that persons sent from Norway to work for a temporary

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(g) With respect to this paragraph, a person who is sent by an employer having a place of business in the territory of the United States to the territory of Norway and who is subject to United States laws shall also be **excluded from coverage and exempt, together with the employer, from contributions under all chapters of the National Insurance Act except Chapters 5, 8, 9 and 14.**

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period in the United States will remain covered by all of these programs if, under Article 5.2, they are subject to Norwegian laws while in the United States. This provision was included as paragraph 3 of the Final Protocol to the original agreement.

The coverage provisions of the agreement eliminate dual coverage and taxation under the Social Security laws of both countries. Under Article 2.1(b), the programs to which the agreement generally applies include Norway's old-age, survivors, disability, death and rehabilitation programs. Article 5.2(g) makes clear, however, that employees who are exempt from Norwegian laws in accordance with Article 5.2 will be exempt, together with their employers, from paying contributions not only for these programs, but also for all other programs included under the National Insurance Act, other than medical and cash sickness benefits.

Paragraph 4 of the Final Protocol to the original agreement was intended to require such employers and employees to pay Norwegian contributions for unemployment, work injury and unmarried mother's benefits. However, after the original agreement was concluded, the Norwegian authorities determined that because of the integral nature of the Norwegian National Insurance contribution, it would be administratively impossible to collect contributions for these programs with respect to employees who were exempt from paying contributions for other programs. By an exchange of letters in February 1984, the two countries therefore agreed to an exception under Article 5.7 of the agreement (corresponding to Article 5.9 of the new agreement) so that any employee exempt from Norwegian laws by virtue of Article 5.2 would be exempt (together with the employer) from contributions for unemployment, work injury and unmarried mother's benefits, as well as OASDI and rehabilitation benefits. Article 5.2(g) incorporates this decision in the agreement.

PRINCIPAL AGREEMENT	ANNOTATIONS AND COMMENTS
3. (a) The provisions of paragraph 1 shall also apply in cases where a person is resident in Norway and employed on installations for the exploration or exploitation of natural resources on the Norwegian continental shelf.	Article 5.3(a) extends the application of the territoriality rule set forth in Article 5.1 to persons who are resident in Norway and engaged in activities such as oil exploration on Norway's continental shelf. Without this provision, U.S. nationals residing in Norway who are hired by U.S. firms to work on the Norwegian continental shelf would be covered and taxed under the Social Security laws of both Norway and the United States. Their employers would also be subject to dual taxation. The effect of Article 5.3(a) is to eliminate U.S. coverage in these instances leaving the persons covered under Norwegian law.
(b) The provisions of paragraph 2 shall also apply in cases where a person is employed on installations for the exploration or exploitation of natural resources on the Norwegian continental shelf as if he were employed in the territory of Norway.	Article 5.3(b) extends the application of Article 5.2 to persons who are sent by their employers in the United States to work on the Norwegian continental shelf. Under this provision, such persons would remain subject to U.S. coverage and exempt from Norwegian coverage.
(c) A United States national not resident in Norway, employed on an installation for the exploration or exploitation of natural resources on the Norwegian continental shelf, to whom the provisions of paragraph 2 do not apply, and who is subject to United States laws with respect to that employment shall be exempt from Norwegian laws as defined in Article 2.1(b) and remain subject to United States laws.	Employers of persons working on the Norwegian continental shelf are required to pay Social Security contributions to Norway on behalf of all their employees located there, including those who are not residents of Norway and therefore not covered under Norwegian laws. As a result, U.S. employers who employ U.S. nationals on the Norwegian continental shelf would be required, absent an agreement, to pay Social Security taxes to both the United States and Norway for these employees. Although Article 5.2 in conjunction with Article 5.3 would remove this dual tax liability in most cases, these provisions would not apply to U.S. nationals who are not residents of Norway but who are hired locally to work on the continental shelf by their U.S. employers. This paragraph is therefore intended to eliminate the obligation of the involved U.S. employers to make contributions to Norway on behalf of such persons. This provision was included as paragraph 6 of the Final Protocol to the original agreement.

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4. A person who is self-employed in the territory of either Contracting State and who is a resident of one Contracting State shall be subject to the laws on compulsory coverage of only the Contracting State of which he is a resident.

5. **(a) This Agreement shall not affect the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.**

(b) Nationals of one of the Contracting States who are employed by the Government of that Contracting State in the territory of the other Contracting State but who are not exempt from the laws of the other Contracting State by virtue of the Conventions mentioned in subparagraph (a) shall be subject to the laws on compulsory coverage of only the first Contracting State. For the purpose of this paragraph, employment by the United States Government includes employment by an instrumentality thereof.

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Article 5.4 applies to self-employed persons who reside in the United States or Norway. It provides that all of their self-employment income earned in the two countries will be subject to coverage by the country of residence.

Article 5.5, which provides coverage rules applicable to employees of the U.S. and Norwegian Governments, is substantively the same in both the old and new agreements, but its wording has been modified to conform to the more recent Social Security agreements concluded by the United States. Article 5.5(a) is intended to make clear that, in general, the categories of persons mentioned in the Vienna Conventions on diplomatic and consular relations will not be affected by the coverage provisions of the agreement. The Conventions, to which both the United States and Norway are parties, apply to members of the staff of a diplomatic or consular mission, including the diplomatic, consular, administrative and technical staffs; dependents of members of those staffs; the domestic service staff of the mission; and private servants employed by members of such missions.

In general, the Vienna Conventions exempt such persons from Social Security coverage and contributions under the laws of the host country unless specific arrangements have been made to waive their immunity from taxation. Persons whose immunity has been waived would be subject to the laws of the host country, including the coverage provisions of this agreement.

Article 5.5(b) provides that if a U.S. or Norwegian national is employed by his or her Government in the other country but is not exempt from host country coverage by virtue of the Vienna Conventions (for example, because the person is not employed in a diplomatic or consular mission), the person will be subject only to the laws of his or her own country. This provision applies not only to U.S. Government employees, but also to persons working for an instrumentality of the U.S. Government.

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6. If a person is employed as an officer or member of a crew on a vessel which flies the flag of one Contracting State and is subject to the laws on compulsory coverage of both Contracting States, the person shall be subject to the laws on compulsory coverage of only the Contracting State whose flag the vessel flies. With respect to this paragraph, a vessel which flies the flag of the United States is one defined as an American vessel under the laws of the United States.	Under Article 5.6, a person employed on a U.S. or Norwegian ship who i: covered under the laws of both countries will be covered only under th laws of the country whose flag the ship flies. A ship is considered to fl the flag of the United States if it is an American vessel as defined i section 210(c) of the Social Security Act. Under that definition, a American vessel is one that is documented or numbered under U.S. law o one that is not documented or numbered under the laws of any country if it crew is employed solely by one or more U.S. citizens or residents o corporations organized under Federal or State law. The second sentence o this provision was included as paragraph 8 of the Final Protocol to th original agreement.
7. This Agreement does not affect the right of Norwegian nationals who are resident or present in the United States to apply for voluntary insurance under the National Insurance Scheme of Norway.	Under Norwegian law, it is possible for Norwegian nationals to acquir additional coverage by making voluntary contributions to the Norwegia National Insurance Scheme. The agreement does not affect the right o Norwegian nationals to make these voluntary contributions. This provisio was included as paragraph 9 of the Final Protocol to the origina agreement.
8. After the entry into force of this Agreement, the provisions of Section 2-13 of the Norwegian National Insurance Act concerning exemptions from the National Insurance Scheme shall no longer be applied to persons to whom this Agreement is applicable.	Section 2-13 of the 1997 National Insurance Act (corresponding t section 1-3 of the 1966 Act) authorizes the Norwegian Government t grant special exemptions from Norwegian Social Security coverage in th case of foreign nationals employed temporarily in Norway, provided the are covered under the Social Security system of another country. Since th entry into force of the original agreement, this provision has not bee applicable to U.S. nationals and other persons to whom the agreemen applies since their coverage is governed by the rules set forth in Article 5 This provision is substantively identical to paragraph 7 of the Fina Protocol to the original agreement.

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9. The Competent Authority of one Contracting State may grant an exception to the provisions of this Article if the Competent Authority of the other Contracting State agrees, provided that the affected person shall be subject to the laws of one of the Contracting States.

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Under Article 5.9, either country may grant an exception to the coverag rules set forth in this Article provided that the other country agrees and th person involved remains subject to the coverage laws of one of th countries. This provision is designed to permit the Competent Authoritie to correct anomalous coverage situations that may arise to the disadvantag of workers or to eliminate dual coverage in unforeseen circumstances.

PART IV
Provisions on Benefits

Part IV establishes the basic rules for determining entitlement to and th amount of U.S. and Norwegian benefits in the case of people who hav periods of coverage in both countries. The new agreement makes n substantive change in the original agreement's rules for determining U.S benefit eligibility or amounts, but does modify several provisions dealin with Norwegian benefits.

Chapter I
Provisions Applicable to the United States

Article 6

1. Where a person has completed at least six quarters of coverage under United States laws, but does not have sufficient quarters of coverage to satisfy the requirements for entitlement to benefits under United States laws, pension point years completed under Norwegian laws shall be taken into account to the extent they do not coincide with calendar quarters already credited as quarters of coverage under United States laws.

Article 6 contains rules for determining U.S. benefit eligibility an amounts in the case of people who have periods of Social Securit coverage in Norway and at least six quarters of coverage in the Unite States, but who do not have enough U.S. coverage to qualify for U.S benefits. In such cases, the Social Security Administration, in accordanc with Article 6.1, will take into account any periods of contributory earnings-related Norwegian coverage (which are called pension poin years) insofar as they do not coincide with quarters of coverage alread credited under U.S. laws. Article 6.1 is unchanged from the origina agreement.

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2. In determining eligibility for benefits under paragraph 1 of this Article, the agency of the United States shall credit four quarters of coverage for each pension point year certified as creditable by the agency of Norway; however, no quarter of coverage shall be credited for any calendar quarter already credited as a quarter of coverage under United States laws. The total number of quarters of coverage to be credited for a year shall not exceed four.	Article 6.2 establishes the procedure that SSA will follow in converting periods of coverage under the Norwegian system into equivalent periods under the U.S. system. Periods of coverage under the U.S. system are measured in terms of calendar quarters while Norwegian periods of coverage are measured in years. Beginning in 1978, U.S. quarters of coverage are based on the amount of a person's annual earnings (e.g., for 2002, $870 in earnings equals one quarter of coverage). Norway credits a pension point year once a person's annual earnings exceed a minimum level called the "basic amount," which is approximately $5,700 as of May 2001. The Norwegian agency will certify to the Social Security Administration the number of pension point years credited to the person under the Norwegian system. SSA will then credit four quarters of coverage for each pension point year to the extent the calendar quarters in such years do not coincide with quarters of coverage already credited under the U.S. system. Article 6.2 is unchanged from the original agreement.
3. 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 provision of paragraph 1.	Article 6.3 provides that where insured status under U.S. law is acquired after entitlement based on Totalization, and an equal or higher benefit is payable without Totalization, SSA will terminate the entitlement based on Totalization and provide the benefit for which entitlement is based on U.S. coverage alone. This provision is identical to Article 6.5 of the original agreement.
4. 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 (a) the person's average earnings credited exclusively under United States	Article 6.4 describes the method of computing U.S. benefit amounts when entitlement is established by totalizing (i.e., combining) U.S. and Norwegian coverage. As stipulated in Article 6.1, persons qualifying for U.S. benefits based solely on their United States coverage are not eligible for U.S. Totalization benefits.

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laws and (b) the ratio of the duration of the person's periods of coverage completed under United States laws to the duration of a coverage lifetime as determined in accordance with United States laws. Benefits payable under United States laws shall be based on the pro rata Primary Insurance Amount.

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Under the procedure outlined in Article 6.4, the amount of the worker's benefit depends on both the level of his or her earnings and the duration of the worker's coverage under U.S. Social Security. This computation procedure is described in detail in SSA regulations (20 CFR 404.1918 as revised July 24, 1984). The first step in the procedure is to compute a theoretical benefit amount as though the worker had spent a full coverage lifetime (i.e., full career) under U.S. Social Security at the same level of earnings as during his or her actual periods of U.S. covered work. The theoretical benefit is then prorated to reflect the proportion of a coverage lifetime completed under the U.S. program. A coverage lifetime is defined in the regulations as the number of the worker's benefit computation years, i.e., the years which must be used in determining a worker's average earnings under the regular U.S. national computation method.

When the original U.S.-Norwegian Social Security agreement was negotiated in the early 1980's, all prior U.S. Social Security agreements had included a time-consuming and sometimes inequitable method of computing U.S. Totalization benefits that required SSA to take into account a worker's earnings and periods of coverage in both the United States and the other country. It was already contemplated during the negotiations, however, that SSA regulations might soon be revised to authorize a new method of computing U.S. Totalization benefit amounts based only on U.S. covered earnings and periods of coverage (i.e., the method described in the preceding paragraph). The original agreement therefore, authorized both the new computation method (Article 6.6 in the original agreement), and the method that had been in use under prior agreements (Article 6.3 and 6.4 in the original agreement). By the time the original agreement entered into force, the revised regulations had been implemented; the old method has never been applied under the U.S.-Norwegian agreement. This new U.S.-Norwegian agreement, therefore deletes the obsolete reference to the old computation method.

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Chapter II
Provisions Applicable to Norway

Article 7

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Norway provides old-age, survivors, and disability benefits through twc separate programs--a basic pension program and a supplementary pensior program--which together make up what is usually described as a "two-tier' Social Security system. The basic system, or first tier, is a non-earnings related program which pays old-age, survivors and disability benefits tc Norwegian residents in proportion to the number of years they have residec in Norway. (NOTE: Although coverage under the basic pension system i: generally based on residence, persons who are not residents of Norway bu who work in Norway also receive coverage credits under the basic system Therefore, it should be understood that the residence requirements referrec to in the following explanation of the basic pension system can also be me by a nonresident who worked in Norway for the requisite period.) Th supplementary system constitutes the second tier and pays benefits basec on the length of a worker's employment or self-employment and the leve of his or her earnings.

Both the basic and supplementary pensions are determined in relation tc the "basic amount" described above in connection with Article 6.2. Thi: basic amount (approximately $5700 as of May 2001) is adjusted at leas once each year to take account of changes in the general income level. Th various benefits which are based on the basic amount are automaticall adjusted whenever the basic amount is increased.

Norwegian old-age pensions are payable at age 67. To be eligible for basic old-age pension, a person must have resided in Norway for at leas 3 years between ages 16 and 67 <u>and</u> (1) be a resident of Norway, or (2) b eligible for a supplementary pension or (3) have at least 20 years o residence in Norway. To qualify for a supplementary old-age pension,

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person must have at least 3 pension point years (i.e., calendar years during which the person paid contributions on earnings which exceed the average basic amount for the year).

To be eligible for basic survivors benefits, a surviving spouse must reside in Norway and must be under age 67 and meet certain other requirements. The current-residence requirement is waived if either the surviving or deceased spouse resided in Norway for at least 20 years. In addition, the deceased spouse must have resided in Norway and been able to work for the last 3 years immediately prior to death or have been receiving a pension for a period of at least 3 years prior to death. The basic survivors pension can also be paid to a surviving spouse who resides outside Norway if the deceased had credit for at least 3 pension point years. Surviving children under age 18 (20 if in school and both parents are deceased) can receive a pension if the deceased resided in Norway, or had been receiving a pension, for the last 3 years immediately prior to death. The surviving spouse and children can also receive a supplementary pension if the worker had credit for at least 3 pension point years.

The basic disability pension is payable to Norwegian residents between ages 18 and 67 whose working capacity is permanently reduced by at least 50 per cent due to illness or injury if they resided in Norway for the last 3 years immediately preceding disability onset. A supplementary pension can be paid if the worker has been credited with at least 3 pension point years prior to disability onset. The basic pension is payable as long as the beneficiary continues to reside in Norway or is entitled to a supplementary pension. The current-residence requirement is waived if the person has been a resident of Norway for at least 20 years.

Under Article 7, Norway will combine (i.e., "totalize") U.S. coverage with periods of Norwegian coverage in order that persons who do not meet the minimum coverage requirements may become eligible for the basic and supplementary pensions. Article 7, together with the provisions of

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Article 4, also provides that Norway will pay basic old-age, disability an survivors benefits to residents of the United States even though Norwegia law normally restricts these benefits to residents of Norway or persons wit at least 20 years of prior Norwegian residence.

1. (a) Where a person has completed at least **three years of coverage under Norwegian laws, or one year if covered while performing occupational activity in Norway, prior to the insured contingency,** quarters of coverage completed under United States laws shall be taken into account to determine entitlement to disability, survivors and old-age pensions provided they do not coincide with periods of coverage already credited under Norwegian laws. To become entitled to a Norwegian supplementary pension based on the preceding sentence, pension points must have been credited for at least one year **on the basis of occupational activity for at least one year.**

Article 7.1(a) describes how periods of U.S. and Norwegian coverage wil be combined to determine eligibility for Norwegian Totalization benefit under both the basic and supplementary pension programs. It stipulate that where a person has completed at least 3 years of Norwegian coverage or one year while working in Norway (i.e., in general, 3 years of residenc in Norway or one pension point year), Norway will add U.S. quarters o coverage to the person's Norwegian coverage in determining whether th person meets the minimum requirements for basic and supplementar benefits. However, Norway will not count quarters of coverage whic coincide with periods of coverage already credited under Norwegian laws.

This provision represents a change from the original agreement for person who do not have at least one pension point year. Under the origina agreement, such persons could qualify for Norwegian Totalization benefit if they had one year of Norwegian residence. Now they will need 3 year of Norwegian residence. This change corresponds to Norway's more recen Social Security agreements.

(b) Four quarters of coverage completed under United States laws shall correspond to one year of coverage under Norwegian laws.

Article 7.1(b) specifies that 4 U.S. quarters of coverage will be considere equivalent to 1 year of coverage under Norwegian law. The Norwegian will divide a person's total U.S. quarters of coverage by 4 and the resul will represent the number of years of residence and the number of pensio point years to be credited for eligibility purposes under each program Where necessary to meet certain recency-of-coverage requirements whic apply to Norwegian disability and survivors benefits, Norway will assig U.S. coverage to the most advantageous calendar quarters for that purpose.

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2. (a) **If entitlement to a benefit exists under Norwegian laws without recourse to the provisions of this Agreement, the benefit shall be computed in accordance with Norwegian laws.**

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Article 7.2, which deals with the computation of Norwegian old-age, survivors and disability benefit amounts for persons with periods of coverage in both Norway and the United States, replaces the corresponding paragraph in the original agreement. The new provision makes no substantive change in the method of computing Norwegian old-age pensions. It will result, however, in increased benefit amounts for some disabled workers and survivors (especially in the case of younger workers who become disabled or die).

Norwegian basic pensions are payable at a rate of 1/40 of the basic amount for each year of Norwegian residence. Supplementary pension amounts are based on a worker's average annual earnings and the number of pension point years the worker has accrued. To be entitled to a maximum basic pension, a person must have resided in Norway for at least 40 years. To receive a maximum supplementary pension, a person must have 40 pension point years. If a worker has less than 40 years of residence or pension point years, the basic and supplementary pensions are reduced proportionately.

Under Norwegian law, the years between disability onset or death and age 67 are counted as years of residence in computing basic disability and survivors pensions and as pension point years in computing supplementary disability and survivors pensions. However, these "expected future years" are limited if a person has been in Norway less than four-fifths of the period between attainment of age 16 and the date of disability onset or death. In this case, the expected future years are limited to 40 minus four-fifths of the years between attainment of age 16 and disability onset or death.

Under Article 7.2(a), a person who can qualify for a Norwegian old-age, survivors or disability pension without recourse to the Agreement will receive a benefit computed exclusively according to Norwegian law.

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(b) If entitlement to a disability or survivors benefit under Norwegian laws exists only according to the provisions of this Agreement, the benefit shall be computed in the following manner:	Article 7.2(b) provides the method of computing Norwegian disability an survivors pensions where U.S. periods of coverage must be taken int account in accordance with Article 7.1 to qualify for the pensions. Unde this computation method, the Norwegian agency will first compute theoretical benefit amount treating the worker's U.S. coverage as if it ha been completed under the Norwegian Social Security system.
(i) The benefit amount shall be determined which would have been payable if the person's periods of coverage under United States laws had been periods of coverage under Norwegian laws.	
(ii) This amount shall be multiplied by the ratio between the person's actual periods of coverage under Norwegian laws and the sum of the person's periods of coverage under both Norwegian and United States laws.	Under Article 7.2(b)(ii), the theoretical amount will then be prorated on th basis of the ratio of the periods of coverage completed under Norwegia laws to the total periods completed in both countries. The resultin pro rata benefit will be the amount payable by Norway.
(iii) If the person's total periods of coverage under Norwegian laws, or the sum of such periods and periods of coverage under United States laws, exceeds 40 years, then the actual period, or sum of periods, shall be replaced by the figure "40" for the purposes of the said calculation.	Under Norwegian laws, the maximum number of years of residence o pension point years that can be taken into account for calculating a basic o supplementary pension is 40. Article 7.2(b)(iii) provides that, i computing a Norwegian Totalization benefit, the Norwegian agency wil limit the denominator of the pro rata fraction to 40 years in situation where the combined periods of coverage under both countries' system exceed 40 years. This will result in a larger benefit amount than would b payable if the actual duration of coverage were used in the denominator.
(iv) A supplementary pension shall be computed on the basis of the average annual pension point figure for the years during which the person concerned has been credited with pension points under Norwegian laws in accordance with the rules for the calculation of the final pension point figure under the National Insurance Act.	The supplementary pension amount under Norwegian law is based on worker's earnings averaged over the 20 years of highest earnings. Eac year's earnings amount is expressed in terms of "pension points," whic relate the worker's earnings for the year to that year's basic amount. Th average annual pension point value for the highest 20 years is known as th "final pension point figure." Article 7.2(b)(iv) stipulates that a worker final pension point figure will be computed in accordance with Norwegia laws without regard to the worker's earnings under the U.S. Social Securit system.

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(v) The provisions of Paragraph 1(b) shall apply as appropriate.

3. If entitlement to an old-age pension under Norwegian laws exists only according to the provisions of this Agreement, the old-age pension shall be computed on the basis of periods of coverage fulfilled and pension point years credited under Norwegian laws.

4. A Norwegian disability or survivors pension shall be converted to an old-age pension when the person reaches the general pension age. The old-age pension shall be computed on the basis of periods of coverage and pension point years used to compute the disability or survivors pension.

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For purposes of the pro rata calculation provided in Article 7.2(b)(ii) and (iii), Norway will consider 4 U.S. quarters of coverage equivalent to 1 year of coverage in accordance with the formula provided in Article 7.1(b).

The new agreement omits a provision included in the original agreement as Article 7.2(c) that had the effect of reducing the Norwegian disability or survivors pension paid to certain persons if they qualified for the pension based on Norwegian national law alone and were simultaneously entitled to a U.S. benefit. Under the agreement, the beneficiary's Norwegian pension would be based on a prorated portion of the worker's expected future years (see comments on Article 7.2(a)). In addition, Norwegian legislative amendments enacted after the entry into force of the agreement provided for a further reduction in these benefits if the worker spent a substantial period of time outside Norway. According to Norwegian authorities Article 7.2(c), in combination with these recent changes in Norwegian law could lead to situations in which a person eligible for a Norwegian pension and a pension from the United States would receive a lower Norwegian pension than another person who receives a pension from a country with which Norway has no Social Security agreement.

Article 7.3 provides that where entitlement to a Norwegian old-age pension is established based on combined U.S. and Norwegian periods of coverage the amount of such pension will be based solely upon periods of coverage credited under Norwegian law.

Article 7.4 permits a Norwegian disability or survivors benefit to be converted to an old-age benefit of an equal amount at age 67. Without this provision, a disability or survivors benefit would be reduced at the time it is converted, since the old-age pension is computed based on the actual periods of coverage and does not include the additional credit granted for

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expected future years (see comments on Article 7.2(a)). The wording of this provision has been slightly modified from the original agreement merely to clarify that the conversion from a disability or survivors pension to an old-age pension at age 67 applies not just to Norwegian national law benefits, but also to Totalization benefits payable by Norway.

5. Supplementary pensions payable **to persons to whom this Agreement applies** shall be computed in accordance with the overcompensation provisions of **Section 3-9** of the National Insurance Act. Pension increments due to overcompensation shall also be paid to **persons to whom this Agreement** applies when they are resident in the territory of the United States. **The provisions of paragraph 1 shall not apply in relation to Section 3-9 of the National Insurance Act.**

Because the Norwegian supplementary benefit program was not established until 1967, it is not yet possible for a person to have worked 40 years as would be required to receive a maximum supplementary pension. For this reason, Section 3-9 of the 1997 National Insurance Act (Section 7-5 of the 1966 National Insurance Act) contains a transitional provision which permits persons to receive a maximum pension based on as few as 20 pension point years. Under Norwegian national law, these transitional provisions can only apply to persons who reside in Norway and who are either (1) Norwegian nationals or (2) non-Norwegian nationals who have resided in Norway for a minimum of 10 or 20 years depending on their age. The original agreement liberalized Norwegian national law, permitting U.S. nationals who meet the 10- or 20-year residence requirement to receive benefits computed under the transitional provisions even while they reside in the United States. The new agreement extends this right to nationals of other countries who reside in the United States and clarifies that U.S. coverage may not be used to meet the 10- or 20-year requirements.

6. **Payment of rehabilitation benefits, basic benefits, attendance benefits, guaranteed minimum supplementary pension benefits to persons becoming disabled at birth or at a young age, education benefits and child care benefits to persons not resident or present in the territory of Norway shall be determined in each case pursuant to Norwegian laws.**

Article 7.6 deals with several types of noncontributory supplemental Norwegian benefits that are designed specifically to assist residents of Norway. They include rehabilitation benefits; the basic benefit, which is payable to disabled persons who incur heavy expenses because of their impairment; attendance benefit for persons who require special attention, nursing or domestic help; and child care benefit for surviving spouses who must leave their children in the care of others while pursuing vocational training or work away from home. The new agreement deletes a reference in this provision to the "compensation supplement," which has been

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abolished, and adds references to two means-tested benefits establishec since the original agreement was negotiated. These include the guarantee minimum supplementary pension for persons who become disabled befor age 24, and the education benefit granted to a surviving spouse wh requires education or vocational training. Under Norwegian law, thes supplements are generally payable only to persons residing in Norway although they may be paid to persons outside Norway in exceptional cases Article 7.6 makes clear that the agreement does not affect these provision of Norwegian law.

7. **Pensions already payable prior to 1 January 1991 which do not take into account all periods of residence in Norway prior to 1967 and later than 1936, shall be recalculated upon request from the beneficiary. If the result of this recalculation is more favorable, the differential amount shall be paid retroactively from 1 January 1991.**

In computing the amount of a basic pension, the Norwegian agency count a person's periods of residence in Norway as far back as 1937, even thoug the present Norwegian Social Security system did not take effect unti 1967. Prior to 1991, however, a less liberal rule applied to persons wh lived outside Norway at the time they became entitled to a basic pension. I this situation, the periods of Norwegian residence that could be counte from 1937 through 1966 were subject to a maximum that served to reduc the total benefit payable. Article 7.7 permits people who became entitle before 1991 to request a benefit recalculation so that they receive credit fo all their years of residence from 1937 through 1966.

8. Funeral grants under Norwegian laws shall be payable in respect of persons who were subject to Norwegian laws at the time of their death.

Article 7.8 provides for the payment of Norwegian funeral grants on behal of persons who are subject to Norwegian laws at the time of death regardless of residence. This permits payment of Norwegian funeral grant for persons who were present in the United States at the time of death bu who were covered by Norway under the terms of the agreement. Thi provision is identical to paragraph 11 of the Final Protocol to the origina agreement.

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PART V
Miscellaneous Provisions

Article 8

The Competent Authorities of the two Contracting States shall:

(a) Conclude an administrative agreement and make such other administrative arrangements as may be necessary for the implementation and application of this Agreement;

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

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

Article 8 outlines various duties of the Competent Authorities under the agreement. Paragraph (a) authorizes the Competent Authorities to make any administrative arrangements that may be necessary to implement and administer the agreement. Paragraph (b) requires the Competent Authorities to notify each other of measures they have taken unilaterally to implement the agreement. Paragraph (c) obligates the Competent Authorities to notify each other of any changes in their respective Social Security laws that may affect the application of the agreement.

Article 9

1. The Competent Authorities and the agencies of the Contracting States, within the scope of their respective authority, shall assist each other in implementing this Agreement. This assistance shall be free of charge subject to exceptions to be agreed upon in an administrative agreement.

Article 9 provides authority for the two countries to furnish each other nonreimbursable assistance in administering the agreement. Such assistance may include the taking of benefit applications, and the gathering and exchanging of information relevant to claims filed under the agreement. Article 10.1 of the administrative agreement provides for reimbursement of expenses other than regular personnel and operating costs.

PRINCIPAL AGREEMENT

2. Liaison agencies for the implementation of this Agreement shall be:

   (a) for the United States, the Social Security Administration;

   (b) for Norway, the National Insurance Institution.

Article 10

Where the laws of a Contracting State provide that any document which is submitted to the Competent Authority or an agency of that Contracting State shall be exempted, wholly or partly, from fees or charges, including consular and administrative fees, the exemption shall also apply to documents which are submitted to the Competent Authority or an agency of the other Contracting State in accordance with its laws.

Article 11

1. The Competent Authorities and agencies of the Contracting States may correspond directly with each other and with any person wherever the person may reside whenever it is necessary for the implementation of this Agreement. The correspondence may be in the writer's official language.

2. An application or document may not be rejected because it is in the official language of the other Contracting State.

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Article 9.2 lists the liaison agencies for both countries. Claims which are filed in one country for benefits from the other country will be forwarded to the liaison agency in the other country for processing. The Social Security Administration is the liaison agency for the United States. The National Insurance Institution, the Norwegian agency comparable to SSA is the liaison agency for Norway.

Article 10 provides that if the laws of one country exempt documents submitted in connection with a Social Security claim from fees or charges that exemption shall also apply if such documents are sent to the other country by or on behalf of a claimant or beneficiary.

Article 11 authorizes direct correspondence between the Competent Authorities and agencies of the two countries and between these bodies and any person with whom they may need to communicate. The U.S. Competent Authority and agency may correspond in English and the Norwegian Competent Authority and agencies may correspond in Norwegian.

The agencies of each country may not reject an application or document because it is in an official language of the other country. The United States already accepts applications and documents without regard to the language in which they are written.

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Article 12

1. A written application for benefits filed with an agency of one Contracting State shall protect the rights of the claimants under the laws of the other Contracting State if the applicant requests that it be considered an application under the laws of the other Contracting State or provides information indicating that the person on whose record benefits are claimed has completed periods of coverage under the laws of the other Contracting State.

Under Article 12.1, a written application submitted to an agency of one country will protect a claimant's right to benefits under the laws of the other country as if the application had been presented in the other country, provided the applicant expresses an intent to file for benefits in the other country when the application is filed. Because an applicant may not be fully aware of his or her benefit rights in the other country, Article 12.1 also provides that, in the absence of an expression of intent, the application will also protect the claimant's rights in the other country if the applicant indicates at the time of filing that the person on whose record benefits are claimed has been covered under Social Security in the other country.

2. Notwithstanding paragraph 1, an applicant may specify that an application filed with an agency of one Contracting State not be considered an application under the laws of the other Contracting State or that the application be effective on a different date in the other Contracting State within the limitations of and in conformity with the laws of the other Contracting State.

An applicant may limit an application to benefits from only one country or specify that an application to one country is to have a different effective date in the other country within the limits of the laws of the other country. This provision could be important, for example, for people who wish to take advantage of delayed retirement credit provisions under the other country's laws.

The new agreement omits a transitional provision which was included as Article 12.3 of the original agreement and which limited the agreement's application to benefit claims filed on or after the original agreement's entry into force.

Article 13

1. A written appeal of a determination made by the agency of one Contracting State may be validly filed with an agency of the other Contracting State.

Both the United States and Norway have formal procedures for appealing adverse determinations of their agencies. Under Article 13.1, an appeal of a decision by an agency of one country may be filed with the agency of that country or with the agency of the other country. In either case, the appropriate agency of the country whose decision is being appealed would consider the appeal based on its own laws and procedure.

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2. Any claim, notice, or appeal which must be filed within a given period of time with the agency of one Contracting State shall be considered to have been timely filed if the claim, notice, or appeal has been filed within such period with the agency of the other Contracting State. In such case, the agency with which the claim, notice, or appeal has been filed shall indicate the date of receipt on the document and transmit it without delay to the liaison agency of the other Contracting State.	Article 13.2 provides that a claim, notice or written appeal which must be filed within a prescribed time limit with an agency of one country will be considered to have been filed on time if it is filed within such limit with an agency of the other country. The agency with which the claim, notice, or appeal is filed shall transmit it without delay to the liaison agency of the other country indicating the date the document was received.
Article 14	
In case provisions designed to restrict the exchange of currencies are issued in either Contracting State, the Governments of both Contracting States shall immediately confer on the measures necessary to insure the transfer of sums owed by either Contracting State under this Agreement.	Should either country impose restrictions on the exchange of its currency, steps shall be taken to assure the payment of amounts due under the agreement.
Article 15	
1. Disagreements between the two Contracting States regarding the interpretation or implementation of this Agreement shall, as far as possible, be settled by the Competent Authorities.	Article 15.1 would obligate each country to attempt to resolve any dispute between them regarding the agreement through direct consultation or negotiation.
2. If a disagreement cannot be resolved by the Competent Authorities of the Contracting States, **they shall endeavor to settle the issue through arbitration, mediation or other mutually agreed procedure.**	If the Competent Authorities cannot settle a dispute between themselves regarding the agreement, Article 15.2 provides that they shall seek to resolve the dispute through arbitration or mediation or other agreed means. This provision of the new agreement offers a wider range of methods for resolving disagreements than the corresponding provision in the original agreement.

PRINCIPAL AGREEMENT

ANNOTATIONS AND COMMENTS

PART VI
Transitional and Final Provisions

Article 16

1. This Agreement shall also apply to events relevant to rights under the laws which occurred prior to its entry into force.

Under Article 16.1, events material to the determination of benefit rights such as marriage, death, disablement, or attainment of a certain age, whicl occur prior to the effective date of the agreement will be considered i applying the agreement.

2. This Agreement shall not establish any claim to payment of a benefit for any period before its entry into force or a lump-sum death benefit if the person died before its entry into force.

Under Article 16.2, benefits payable as a result of the agreement will b paid only for periods beginning with the date on which the agreemer enters into force. Any lump-sum death payments provided b section 202(i) of the U.S. Social Security Act will be payable under th agreement only if the death occurs on or after the date the agreement enter into force. An identical provision was included in Article 16.2 of th original agreement. Article 18.4(a) of this new agreement stipulates th benefit rights established in accordance with the original agreement will b maintained.

3. Consideration shall be given to periods of coverage under the laws of either Contracting State occurring before the entry into force of this Agreement, in order to determine the right to benefits under this Agreement.

In determining benefit eligibility and amounts under the agreemen Article 16.3 provides that periods of coverage occurring before th agreement enters into force will be taken into account.

4. Determinations made before the entry into force of this Agreement shall not affect rights arising under it.

A decision to award or deny a claim which was rendered prior to th effective date of the agreement will not prevent a person from filing a ne application for additional benefits that may be payable as a result of th agreement.

PRINCIPAL AGREEMENT	ANNOTATIONS AND COMMENTS
5. This Agreement shall not result in the reduction of cash benefit amounts because of its entry into force.	Although it is unlikely that other provisions of the agreement would result in reduced benefit amounts, Article 16.5 guarantees that benefits payable at the time the agreement enters into force will continue to be paid in an equal or greater amount after the agreement enters into force.
Article 17	
1. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which written notice of its **termination** is given by one of the Contracting States to the other Contracting State.	Article 17.1 provides for the agreement to remain in effect until the expiration of 1 calendar year after the year notice of termination is given by one of the countries. The new agreement substitutes the word "termination" for "denunciation" but makes no substantive change.
2. If this Agreement is terminated, rights regarding entitlement to or payment of benefits acquired under it shall be retained; the Contracting States shall make arrangements dealing with rights in the process of being acquired.	Article 17.2 provides that, in the event of termination of the agreement, a person will retain benefit rights acquired before termination; supplementary agreements would determine the extent to which each country would recognize benefit rights in the process of being acquired at the time of termination--for example, periods of coverage which had not yet resulted in fully insured status.
Article 18	
1. This Agreement shall enter into force on the first day of the third month following the month in which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of this Agreement.	Each country will follow its own constitutional procedures for approval of the new agreement. In Norway, the Parliament will have to approve it, and in the United States, the agreement will have to be presented to the Congress for a review period of 60 session days as required by section 233(e) of the U.S. Social Security Act. Once each country has completed its internal approval process, the two Governments will exchange formal instruments of approval. The 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.

PRINCIPAL AGREEMENT

2. Nothing in this Agreement shall supersede the exchange of notes between the Ambassador of the United States of America and the Norwegian Foreign Ministry in Oslo on June 26, 1968, concerning old-age, survivors and disability benefits.

3. **Upon the entry into force of this Agreement, the Agreement between the United States of America and the Kingdom of Norway on Social Security of January 13, 1983, shall be terminated and shall be replaced by this Agreement.**

4. **(a) Any right to benefit acquired by a person in accordance with the provisions of the Agreement between the United States of America and the Kingdom of Norway on Social Security of January 13, 1983, shall be maintained.**

   (b) Any claim to benefit made but not finally adjudicated at the date upon which this Agreement comes into force, shall be adjudicated according to the provisions of the Agreement between the United States of America and the Kingdom of Norway on Social Security of January 13, 1983, if this gives a more favorable result.

ANNOTATIONS AND COMMENTS

The June 26, 1968, exchange of notes between the United States an Norway concerning reciprocal payment of certain Social Security benefit guarantees that U.S. nationals who are entitled to Norwegian benefits wil receive them regardless of where they reside. On the basis of these note and in accordance with section 202(t) of the U.S. Social Security Act, th U.S. Social Security Administration is able to pay U.S. benefits t Norwegian nationals regardless of the duration of their absence from th United States. Article 18.2 provides that the guarantees contained in th 1968 notes will remain in effect. This provision was included i paragraph 12 of the Final Protocol to the original agreement.

Article 18.3 provides that the new agreement will replace the origina agreement. However, Article 18.4(a) stipulates that any rights a perso may have acquired under the original agreement will be retained. Unde Article 18.4(b), the original agreement will also apply in adjudicatin claims filed but not yet adjudicated when the new agreement enters int force if this is more favorable to the claimant. As explained in connectio with Article 6, the new agreement makes no substantive change in th original agreement's rules concerning determination of U.S. benef eligibility or amounts; Article 18.4, therefore, has no significance wit respect to U.S. benefits.

PRINCIPAL AGREEMENT

In witness whereof, the undersigned, being duly authorized thereto, have signed the present Agreement.

Done at Oslo on November 30, 2001 in duplicate in the English and Norwegian languages, the two texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:	FOR THE GOVERNMENT OF THE KINGDOM OF NORWAY:
Jay L. Bruns III	Ingjerd Schou

ANNOTATIONS AND COMMENTS

The new agreement was signed on November 30, 2001, in Oslo by the Chargé d'Affaires of the United States Embassy, Jay L. Bruns III, and the Norwegian Minister of Social Affairs, Ingjerd Schou.

ADMINISTRATIVE AGREEMENT

ANNOTATIONS AND COMMENTS

ADMINISTRATIVE AGREEMENT
FOR THE IMPLEMENTATION OF THE AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE KINGDOM OF NORWAY
ON SOCIAL SECURITY OF NOVEMBER 30, 2001

In conformity with Article 8(a) of the Agreement between the United States of America and the Kingdom of Norway on Social Security of November 30, 2001, hereinafter referred to as "the Agreement," the following provisions have been agreed upon:

A new administrative agreement has also been concluded for implementation of the new U.S.-Norwegian Social Security agreement. The new administrative agreement replaces the original administrative agreement, which was signed on January 13, 1983, and which entered into force on the same date as the original principal agreement. The only significant change in the new administrative agreement appears in Article 5.

Chapter 1
General Provisions

Article 1

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

Article 1 provides that the terms used in both the agreement and this administrative agreement, whether defined in the agreement or not, will have the same meaning as they have in the agreement.

Article 2

The liaison agencies designated in Article 9.2 of the Agreement shall agree upon joint procedures and forms necessary for the implementation of the Agreement and this Administrative Agreement.

Article 2.2 authorizes and requires the liaison agencies of the United States and Norway to agree upon those procedures and forms that must be prepared jointly for the implementation of the agreement and administrative agreement.

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Chapter 2
Provisions on Coverage

Article 3

1. Where the laws of a Contracting State are applicable in accordance with Article 5 of the Agreement, the agency of that Contracting State shall issue upon request of the employer, employee or self-employed person a certificate stating that the concerned employee or self-employed person is covered under 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 Contracting State.

2. The certificate referred to in paragraph 1 shall be issued

   - In the United States:

     By the Social Security Administration

   - In Norway:

     By the local National Insurance Office where the person resides in the cases mentioned in Article 5.1 and 5.4, and by the National Insurance Office for Social Insurance Abroad in the cases mentioned in Article 5.2, 5.3, 5.5 and 5.6.

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Under Article 3.1, the agency of the country whose Social Security coverage laws will continue to apply to a person in accordance with the various rules set forth in Article 5 of the agreement will issue a certificate to that effect when requested to do so by an employee, the employee's employer or a self-employed person. When presented to the appropriate agency of the other country, the certificate will establish the basis for the exemption of the person from the coverage laws of that country. Retroactive recovery of U.S. contributions paid with respect to services for which a coverage exemption has been in effect would be subject to the time limitations for refunds of taxes in the Internal Revenue Code.

Article 3.2 designates the agencies responsible for issuing coverage certificates.

ADMINISTRATIVE AGREEMENT

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Chapter 3
Provisions on Benefits

Article 4

1. The agency of the Contracting State with which an application for benefits is first filed in accordance with Article 12 of the Agreement shall inform the agency of the other Contracting State 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 Contracting State to establish the right of the applicant to benefits according to the provisions of Part IV 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.

Articles 4.1 and 4.2 outline the procedures to be followed by both countries for the exchange of pertinent information needed to process claims filed under the agreement.

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

3. The agency of the Contracting State 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 agencies.

Article 4.3 deals with the verification of claims information. Both U.S. and Norwegian laws require that certain information about individuals claiming benefits be verified (e.g., age and family relationship to the worker) before the claim can be approved. Article 4.3 provides that when a claim for benefits under the agreement is filed in one country, the agency of that country will verify the relevant information and inform the agency of the other country of its findings. The liaison agencies shall agree upon the specific types of information which must be verified.

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The purpose of this provision is to expedite the claims process by avoiding the duplication of effort that would result if the agencies of both countries were required to verify the same information. Although an agency may accept the findings of the other agency concerning the accuracy of information, it may at its discretion request documentary evidence to support those findings.

Article 5

In the application of Article 6 of the Agreement, the Norwegian liaison agency shall notify the United States liaison agency of the years in which a person is credited with pension points under Norwegian laws.

Under Article 5, if Totalization is necessary to establish a person's right to U.S. benefits in accordance with Article 6 of the agreement, the Norwegian liaison agency will furnish SSA a record showing the number of years of coverage the person has earned under the Norwegian system. This provision of the new administrative agreement is identical to the corresponding provision of the original administrative agreement except that it deletes wording that authorized the Norwegian agency to furnish SSA with information on a person's earnings during years of Norwegian coverage. This information is not needed to determine entitlement to or the amount of U.S. benefits under the current provisions of the agreement.

Article 6

In the application of Article 7 of the Agreement, the United States liaison agency shall notify the Norwegian liaison agency of the periods of coverage completed under United States laws.

Article 6 provides that where Totalization is necessary to establish a person's right to Norwegian benefits in accordance with Article 7 of the agreement, the Social Security Administration will furnish the Norwegian liaison agency a record showing the number of quarters of coverage the person has earned under the U.S. system. In determining eligibility for Norwegian benefits, the Norwegian agency, in accordance with Article 7.1(b) of the agreement, will credit one pension point year for every 4 U.S. quarters of coverage to the extent the U.S. quarters do not fall within a year already credited as a pension point year in Norway.

ADMINISTRATIVE AGREEMENT

ANNOTATIONS AND COMMENTS

Chapter 4
Miscellaneous Provisions

Article 7

In accordance with measures to be agreed upon pursuant to Article 2 of this Administrative Agreement, the agency of one Contracting State shall, upon request of the agency of the other Contracting State, furnish available information relating to the claim of any specified individual for the purpose of administering the Agreement or the laws specified in Article 2.1 of the Agreement.

Article 7 provides that the liaison agency of one country may, upon request, furnish claims-related information to an agency of the other country in accordance with agreed upon procedures. Such procedures will be agreed upon by the liaison agencies and will be consistent with the governing statutes of both countries.

Article 8

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

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

Article 9

The liaison agencies of the two Contracting States shall exchange statistics on the payments made to beneficiaries under the Agreement for each calendar year in a form to be agreed upon. The data shall include the number of beneficiaries and the total amount of benefits, by type of benefit.

Article 9 provides for an exchange of statistics concerning the number of beneficiaries and the types and amounts of benefits paid under the agreement.

ADMINISTRATIVE AGREEMENT

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Article 10

1. Where administrative assistance is requested under Article 9 of the Agreement, expenses other than regular personnel and operating costs of the Competent Authorities and agencies providing the assistance shall be reimbursed in accordance with procedures to be agreed upon by the liaison agencies.

In accordance with Article 9 of the agreement, the Competent Authorities and agencies of the two countries will provide each other with any administrative assistance necessary to implement the provisions of the agreement. Article 10 of the administrative agreement specifies the types of assistance that will be provided without cost and the types that will be provided on a reimbursable basis.

Under Article 10.1, expenses incurred in responding to requests for administrative assistance which require an agency to go outside its own organization--for example, to hire interpreters, conduct special field investigations, or arrange medical examinations—will be paid by the requesting agency. Expenses for regular personnel and operating costs will not be reimbursed.

2. Where the agency of a Contracting State 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 Contracting State in which the claimant or beneficiary resides, in accordance with the rules of the agency making the arrangement and at the expense of the agency which requests the examination. The expenses incurred shall be reimbursed in accordance with procedures to be agreed upon by the liaison agencies.

Article 10.2 provides that where a medical examination is necessary to establish eligibility for or continuing entitlement to a country's benefits that are payable under the agreement, and the claimant or beneficiary is located in the other country, the liaison agency of the other country will, upon request, arrange for the examination at the expense of the agency requesting the examination.

3. Upon request, the agency of either Contracting State shall furnish without expense to the liaison agency of the other Contracting State any medical information and documentation in its possession relevant to the disability of the claimant or beneficiary.

When the liaison agency in one country requests medical information from an agency in the other country, the latter agency will send the requesting agency any pertinent medical records it has in its possession free of charge.

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Article 11

The agency of a Contracting State shall pay any cash benefits due to beneficiaries under the Agreement without recourse to the liaison agency of the other Contracting State.

Article 12

Unless authorized by the national statutes of a Contracting State, information about an individual which is transmitted in accordance with the Agreement to that Contracting State by the other Contracting State shall be used exclusively for purposes of implementing the Agreement. Such information received by a Contracting State shall be governed by the national statutes of that Contracting State for the protection of privacy and confidentiality of personal data.

Article 13

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.

ANNOTATIONS AND COMMENTS

Article 11 provides that any cash benefits payable by one country to beneficiaries in the other country will not be sent to the liaison agency of the other country for disbursement to the beneficiaries but will instead be paid directly to them.

Both the United States and Norway have statutes and regulations that govern disclosure and provide strict safeguards for maintaining the confidentiality of information pertaining to individuals which is in the possession of their respective Governments. In the United States, these statutes include the Freedom of Information Act, the Privacy Act, section 6103 of the Internal Revenue Code, and pertinent provisions of the Social Security Act and other related statutes. Article 12 provides that personal information pertaining to an individual which one country furnishes to the other under the agreement will be protected in accordance with the applicable provisions of the other country's privacy and confidentiality laws.

The new administrative agreement will enter into force on the same date as the new principal agreement and will remain in effect for the same period as the new agreement. The original administrative agreement provided that it would have the same period of validity as the original principal agreement. Since Article 18.3 of the new agreement provides for termination of the original agreement on the date of entry into force of the new agreement, the original administrative agreement will also terminate on that date.

ADMINISTRATIVE AGREEMENT

Done at Oslo on November 30, 2001 in duplicate in the English and Norwegian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:	FOR THE GOVERNMENT OF THE KINGDOM OF NORWAY:
Jay L. Bruns III	Ingjerd Schou

ANNOTATIONS AND COMMENTS

The new administrative agreement was signed on November 30, 2001, in Oslo by the Chargé d'Affaires of the United States Embassy, Jay L Bruns III, and the Norwegian Minister of Social Affairs, Ingjerd Schou.

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