

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

The Czech Republic and

the United States of America, (hereinafter referred to as "the Contracting States"),

Being desirous of regulating the relationship between their two states in the field of Social Security,

have agreed as follows:

PART I  
General Provisions

Article 1  
Definitions

1. For the purposes of this Agreement:
  - (a) "national" means,  
  
as regards the Czech Republic, a national of the Czech Republic, and  
  
as regards the United States, a national of the United States as defined in Section 101, Immigration and Nationality Act, as amended;
  - (b) "laws" means the laws and regulations specified in Article 2 of this Agreement;
  - (c) "competent authority" means,  
  
as regards the Czech Republic, the Ministry of Labour and Social Affairs, and  
  
as regards the United States, the Commissioner of Social Security;
  - (d) "agency" means,  
the body responsible for implementation of the laws specified in Article 2;
  - (e) "period of coverage" means a period of payment of contributions or a period of earnings from employment or self-employment, as defined or recognized as a period of coverage by the laws under which such period has been completed, or any similar period insofar as it is recognized by such laws as equivalent to a period of coverage; and
  - (f) "benefit" means any benefit provided for in the laws specified in Article 2 of this Agreement.
2. Any term not defined in this Article shall have the meaning assigned to it in the applicable laws.

Article 2  
Material Scope

1. This Agreement shall apply:
  - (a) as regards the United States, to the laws governing the Federal old-age, survivors, and disability insurance program,
    - Title II of the Social Security Act and regulations pertaining thereto, except sections 226, 226A, and 228 of that title, and regulations pertaining to those sections, and
    - Chapters 2 and 21 of the Internal Revenue Code of 1986 and regulations pertaining to those chapters;
  - (b) as regards the Czech Republic, to
    - the Pension Insurance Act and related acts, and
    - the Social Insurance Contribution and State Employment Policy Premium Act and related acts.
2. Unless otherwise provided in this Agreement, the laws referred to in paragraph 1 of this Article shall not include treaties or other international agreements or supranational legislation on Social Security in force between one Contracting State and a third State, or laws or regulations promulgated for their specific implementation, except insofar as they contain provisions relating to the apportionment of insurance burdens.
3. Except as provided in the following sentence, this Agreement shall also apply to legislation which amends, supplements or replaces the laws specified in paragraph 1. This agreement shall apply to future legislation of a Contracting State which creates new categories of beneficiaries or new benefits under the laws of that Contracting State unless the Competent Authority of that Contracting State notifies the Competent Authority of the other Contracting State in writing within three months of the date of the official publication of the new legislation that no such extension of the Agreement is intended.

Article 3  
Personal Scope

This Agreement shall apply to:

- (a) persons who are or who have been subject to the laws of one or both Contracting States;
- (b) other persons with respect to the rights they derive from the persons described in subparagraph (a).

Article 4  
Equal Treatment

Persons designated in Article 3 who reside in the territory of a Contracting State shall receive equal treatment with nationals of that Contracting State in the application of its laws regarding eligibility for and the payment of benefits.

Article 5  
Export of benefits

1. Unless otherwise provided in this Agreement, any provision of the laws of a Contracting State which restricts entitlement to or payment of benefits solely because the person resides outside or is absent from the territory of that Contracting State shall not be applicable to persons who reside in the territory of the other Contracting State.
2. Where the laws of a Contracting State provide or allow that a benefit be payable in a third country, then the same applies for a benefit payable pursuant to Part III of this Agreement.

Article 6  
Assimilation of Facts

Events that have legal effect on entitlement, reduction, suspension or benefit amount, and which occurred in the territory of one Contracting State, shall be taken into account as if they had taken place in the territory of the other Contracting State.

PART II  
Provisions on Coverage

Article 7  
Basic Rule

Except as otherwise provided in this Part, a person pursuing an activity as an employed or self-employed person within the territory of one of the Contracting States shall, with respect to that employment or self-employment, be subject to the laws of only that Contracting State.

Article 8  
Additional Rules

1. A person normally employed in the territory of one Contracting State by an employer having a place of business in that territory who is sent by that employer to perform work for that employer in the territory of the other Contracting State for a temporary period shall be subject to the laws of only the first Contracting State as if the person were employed in its territory, provided that the period for which the person is sent is not expected to exceed five years. For purposes of applying this paragraph, an employer and an affiliated or subsidiary company of the employer, as defined under the laws of the Contracting State from which the person was sent, shall be considered one and the same, provided that the employment in the territory of the other Contracting State would have been covered under the laws of the Contracting State from which the person was sent absent this Agreement.

2. Paragraph 1 of this Article shall apply where a person who has been sent by his or her employer from the territory of a Contracting State to the territory of a third State, and who is compulsorily covered under the laws of that Contracting State while employed in the territory of the third State, is subsequently sent by that employer from the territory of the third State to the territory of the other Contracting State.
3. A person who is normally self-employed in the territory of one Contracting State, and who temporarily transfers his or her self-employment activity to the territory of the other Contracting State shall be subject to the laws of only the first Contracting State, provided that the period of self-employment activity in the territory of the other Contracting State is not expected to exceed 5 years.
4. Traveling employees of air transportation companies who perform work in the territories of both Contracting States who would otherwise be covered under the laws of both Contracting States shall, with respect to that work, be subject to the laws of only the Contracting State in the territory of which the company has its headquarters. However, if such employees reside in the territory of the other Contracting State, they shall be subject to the laws of only that State.

#### Article 9 Government Employment

1. This Agreement shall not affect the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.
2. Nationals of one of the Contracting States who are employed by the Government of that State in the territory of the other Contracting State but to whom the Conventions mentioned in paragraph 1 of this Article do not apply shall be subject to the laws of only the first Contracting State. For the purpose of this paragraph, employment by the Government of a Contracting State includes employment by an instrumentality thereof.

#### Article 10 Exceptions

At a request of an employee and an employer or a self-employed person, the Competent Authorities of the two Contracting States or agencies designated by them may agree to grant an exception to the provisions of this Part with respect to particular persons or categories of persons, provided that any affected person shall be subject to the laws of one of the Contracting States.

### PART III Provisions on Benefits

#### Article 11 Benefits under United States Laws

1. Where a person has completed at least six quarters of coverage under United States laws, but does not have sufficient periods of coverage to satisfy the requirements for entitlement to benefits under United States laws, the agency of the United States shall take into account, for the purpose of establishing

entitlement to benefits under this Article, periods of coverage which are credited under Czech laws and which do not coincide with periods of coverage already credited under United States laws.

2. In determining eligibility for benefits under paragraph 1 of this Article, the agency of the United States shall credit one quarter of coverage for every 90 days of coverage or fraction thereof certified by the agency of the Czech Republic; 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. However, the agency of the United States shall not take into account periods of coverage which occurred prior to the earliest date for which periods of coverage may be credited under its laws.
3. Where entitlement to a benefit under United States laws is established according to the provisions of paragraph 1 of this Article, 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.
4. Entitlement to a benefit from the United States which results from paragraph 1 of this Article 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 of this Article.

## Article 12 Benefits under the Laws of the Czech Republic

1. If, under the laws of the Czech Republic, the conditions for entitlement to benefits are satisfied without taking into account periods of coverage completed under the laws of the United States, the agency of the Czech Republic will determine the benefit:
  - (a) on the basis of the periods of coverage completed exclusively under its laws, and at the same time
  - (b) according to the rules provided by paragraph (2), with the exception when the result of this calculation is equal to or lower than the result of the calculation under subparagraph (a).
2. If, under the laws of the Czech Republic, the right to benefits can be acquired only with regard to periods of coverage completed under the laws of the United States, then the agency of the Czech Republic shall take into account periods of coverage completed according to the laws of the United States in so far as they do not overlap periods of coverage completed under the laws of the Czech Republic and:
  - (a) calculate the theoretical amount of the benefit which could have been claimed provided that all periods of coverage had been completed under the laws of the Czech Republic and

- (b) then - on the basis of the theoretical amount calculated in accordance with subparagraph (a) - shall determine the amount of the benefit payable by applying the ratio of the duration of the periods of coverage completed under the laws of the Czech Republic to the total periods of coverage.

In order to determine the basis for calculation of the benefit, the agency of the Czech Republic shall – in applying the provision of subparagraph (a) of this paragraph – take into account only income gained during the periods of coverage completed under the laws which it applies. This income – indexed according to Czech laws – will be considered as gained during the periods of coverage completed under the laws of the United States that are taken into account for the calculation of the theoretical amount of the benefit.

3. The person concerned shall be entitled to the highest amount calculated in accordance with paragraphs 1 and 2 from the agency of the Czech Republic.
4. For the application of paragraph 2 of this Article the agency of the Czech Republic shall credit 90 days of coverage for every quarter of coverage certified by the agency of the United States. In case that in one calendar year four quarters of coverage are certified, the Czech agency credits the full number of days in the calendar year concerned.
5. If the period of coverage completed under the laws of the Czech Republic is less than twelve months and does not result in any right to benefits, then the agency of the Czech Republic will not award the benefit.
6. The Czech competent authority may, in the interest of categories of beneficiaries, limit the application of the provision of Article 6.
7. A person whose disability began before reaching the age of 18 and who has not participated in the insurance scheme for the necessary period shall acquire the right to a full disability benefit provided this person is a resident of the Czech Republic.

#### PART IV Miscellaneous Provisions

##### Article 13 Cooperation of the Competent Authorities

The Competent Authorities of the two Contracting States shall:

- (a) conclude an administrative arrangement for the implementation 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 information concerning all changes in their respective laws which may affect the application of this Agreement.

Article 14  
Mutual Assistance

The Competent Authorities and the agencies of the Contracting States, within the scope of their respective authorities, 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 arrangement.

Article 15  
Confidentiality of Exchanged Information

Unless otherwise required by the national statutes of a Contracting State, information about an individual which is transmitted in accordance with this Agreement to that Contracting State by the other Contracting State shall be used exclusively for purposes of implementing this 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 16  
Fees, Authentication, and Verification of Documents

1. 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 corresponding documents which are submitted to the Competent Authority or an agency of the other Contracting State in the application of this Agreement.
2. Documents and certificates which are presented for purposes of this Agreement shall be exempted from requirements for authentication by diplomatic or consular authorities.
3. Copies of documents which are certified as true and exact copies by an agency of one Contracting State shall be accepted as true and exact copies by an 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 17  
Communication and Use of Languages

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 administration of this Agreement.
2. An application or document may not be rejected by a Competent Authority or agency of a Contracting State solely because it is in the language of the other Contracting State.

Article 18  
Application for Benefits

1. A written application for benefits filed with an agency of one Contracting State shall protect the rights of the claimants and shall be treated as an application under the laws of the other Contracting State if the applicant:
  - (a) requests that it be considered an application under the laws of the other Contracting State; or in the absence of such a request,
  - (b) provides information indicating that periods of coverage have been completed under the laws of the other Contracting State.
2. An applicant may request that an application filed with an agency of one Contracting State not be considered an application for benefits under the laws of the other Contracting State or that it 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.
3. The provisions of Part III of this Agreement shall apply only to an application for benefits which is filed on or after the date this Agreement enters into force.

Article 19  
Appeals

A written appeal of a determination made by an agency of one Contracting State may be validly filed with an agency of either Contracting State. The appeal shall be decided according to the procedure and laws of the Contracting State whose decision is being appealed.

Article 20  
Transmittal of Claims, Notices or Written Appeals

1. In any case to which the provisions of Articles 18 and 19 of this Agreement apply, the agency to which the claim, notice, or written appeal has been submitted shall indicate the date of receipt on the document and transmit it without delay to the agency of the other Contracting State.
2. Any claim, notice, or written appeal which, under the laws of one Contracting State, must have been filed within a prescribed period with an agency of that Contracting State, but which is instead filed within the same period with an agency of the other Contracting State, shall be considered to have been filed on time.

Article 21  
Currency of Payments

1. Payments under this Agreement may be made in the currency of the Contracting State making the payments, or other freely convertible currency.
2. In case provisions designed to restrict the exchange or exportation of currencies are introduced by either Contracting State, the Governments of both Contracting States

shall immediately take measures necessary to ensure the transfer of sums payable under this Agreement.

Article 22  
Resolution of Disputes

Any disagreement regarding the interpretation or application of this Agreement shall be resolved by consultation between the Competent Authorities.

PART V  
Transitional and Final Provisions

Article 23  
Transitional Provisions

1. This Agreement shall not establish any claim to payment of a benefit for any period before the date of entry into force of this Agreement, or to a lump-sum death benefit if the person died before the entry into force of this Agreement.
2. In determining the right to benefits under this Agreement, consideration shall be given to periods of coverage under the laws of either Contracting State and other events which occurred before the entry into force of this Agreement.
3. In applying paragraphs 1 and 3 of Article 8 in the case of persons who were pursuing an activity as an employed or self-employed person in the territory of a Contracting State prior to the date of entry into force of this Agreement, that activity shall be considered to begin on the date of entry into force of this Agreement.

Article 24  
Earlier Determinations

1. Determinations concerning entitlement to benefits which were made before the entry into force of this Agreement do not contradict the application of this Agreement.
2. The application of this Agreement shall not result in any reduction in the amount of a benefit to which entitlement was established prior to its entry into force.

Article 25  
Entry into Force

This Agreement shall enter into force on the first day of the third month following the month in which the Contracting States inform each other by written notification that all necessary statutory and constitutional requirements for the entry into force of this Agreement have been fulfilled.

Article 26  
Duration, Modification and Termination of the Agreement

1. This Agreement shall remain in force without any limitation on its duration.
2. This Agreement may be amended in the future by supplementary agreements which, from their entry into force, shall be considered an integral part of this Agreement.
3. This Agreement may be terminated by either Contracting State giving written notice of its termination to the other Contracting State. In the event that the Agreement is terminated, it shall remain in force until the expiration of one calendar year following the year in which written notice of its termination is delivered by one of the Contracting States to the other Contracting State.
4. 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.

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

DONE at *Prague* on *September 7, 2007* in duplicate in the Czech and English languages, the two texts being equally authentic.

ON BEHALF OF  
THE CZECH REPUBLIC

*Petr Nečas*

ON BEHALF OF  
THE UNITED STATES OF AMERICA

*Richard W. Graber*