

India, Brazil sign Social Security Agreement

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India and Brazil today signed a social security agreement which will exempt detached workers from making social security contributions in either countries if they are contributing in their respective countries.

Detached workers are send by their employers to work in the office of their company or an affiliate located in a different country.

The agreement has been signed today in Brazil's capital Brasilia, a statement from the Ministry of External Affairs said.

"As per the agreed text, detached workers of the two countries are exempted from making social security contributions in either countries so long as they were making such contributions in their respective countries," it said.

The text establishes the rights and obligations of the nationals of both the countries and provides for equal treatment of the nationals of both countries and unrestricted payment of pensions even in the case of residence in the other contracting state (benefits export principle).

"The requirements to be entitled to a pension can be met by aggregating the periods of insurance completed in India and Brazil, whereby each country pays only the pension for the insurance periods covered by its laws," the statement said.

India has, so far, signed and operationalised Social Security Agreements (SSAs) with 18 countries - Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Hungary, Japan, Luxembourg, Netherlands, Norway, Portugal, Sweden, Switzerland, and South Korea.

It said the agreement, which will come into force from early 2018 after ratification process, will "favourably impact" the profitability and competitive position of companies of both the countries having foreign operations in either territory.

"The SSA will also help promote more investment flows between the two countries. The SSA between India and Brazil once in force by early 2018 will also be the first such agreement between the BRICS countries," it said.

The Indian delegation was led by K Nagaraj Naidu, Joint Secretary (Economic Diplomacy) of the External Affairs Ministry and the Brazilian delegation was led by Benedito A Brunca, Secretary (Social Security Policies), Ministry of Finance, Government of Brazil.