



GES NewsFlash

Ireland – Social Security – Bilateral Agreement with Japan

November 20, 2009

In this issue:

Summary

Provisions of the agreement

Transitional Arrangements

Deloitte's View

People to Contact

Summary

The Irish Minister for Social & Family Affairs, Mary Hanafin T.D. and His Excellency Ambassador Toshinao Urabe of Japan signed a Bilateral Agreement on Social Security on 29 October 2009.

The agreement has yet to be put before the Irish and Japanese governments for approval. However, it is anticipated the final agreement will come into effect sometime in the latter half of 2010.

Provisions of the agreement

The Agreement will provide that employees who are posted to work for their company in the other country for up to 5 years may continue to pay insurance contributions under their national social security system instead of becoming liable for contributions in the other country. In addition, the agreement includes a clause allowing an extension to the 5 year period in unexpected circumstances.

The Agreement aims to protect the pension rights of migrant workers who move between the two countries. It does this by allowing social insurance contributions paid in one country to be counted towards certain benefits in the other country. The Irish pensions covered by the agreement are in line with other such agreements (i.e. it covers contributory State pensions, widows, guardians and invalidity pensions).

The Japanese pensions covered are those comparable to the Irish pensions, including their schemes for basic pension, and for ordinary employees, public and local authority employees and private school teachers.

Transitional Arrangements

At this stage there are no transitional arrangements prior to the agreement coming into force. It has, however, been confirmed that contributions paid at any time will be counted for the purpose of any claim made on or after the date of commencement of

the agreement.

Deloitte's View

The new bilateral agreement will be a welcome development. There are currently in the region of 1,500 Irish citizens employed in Japan and approximately 2,000 Japanese citizens employed in Ireland. A significant number of people will therefore be impacted by the introduction of this agreement.

From an Irish perspective, it is anticipated that the bilateral agreement will enhance our friendship and co-operation with Japan and may help to increase investment into Ireland. Both countries will benefit, as workers will be in a position to move from one country to the other without concerns in respect of the loss of long term benefits.

People to Contact

If you have any questions concerning the issues in this GES NewsFlash, please contact one of the tax professionals as follows:

Brian McDonald

Tel: +353 1 417 2420

Ian McCall

Tel: +353 1 417 2442

Christine Keily

Tel: +353 1 417 2498

This NewsFlash information is now being incorporated into the new, more frequent bi-weekly GES newsletter, Global InSight, which you will receive directly if you are on the central distribution list.

If you are not on the central distribution list and received this communication by some other means, you can follow these few simple steps to be added to the central distribution list.

- Log onto www.deloitte.com
- Select "Insights" at the top of the page, then select "Email subscriptions" in the drop down menu
- On the next page, under Step 1, select "Tax" and "Global Employer Services"
- Under Step 2, select "Global Insight"
- Under Step 3, fill out your contact information and click "Save my profile"

Be sure to visit us at our Web site: www.deloitte.com/tax

If you require information about doing business in a specific country, including individual tax considerations, please log on to www.deloittetaxguides.com and select the countries of interest. In addition to detailed guides, there are at-a-glance summaries contained in the Snapshot series section.

[Back to Top](#)

[Home](#) | [Security](#) | [Legal](#) | [Privacy](#)

1633 Broadway
New York, NY 10019 – 6754
United States

© 2009 Deloitte Touche Tohmatsu.

Deloitte refers to one or more Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its member firms.

 **[Deloitte RSS feeds](#)**
