

# Cleared for compliance

Social security solutions for international flight crew



The airline industry stands as a prime example of today's interconnected workforce. Beyond transporting passengers worldwide, airlines themselves operate on a global scale—sending crews across borders daily. For international pilots and flight attendants, global mobility is a defining feature of their careers.



## The problem

### Dual coverage

Flight crew on international routes face a particularly challenging set of circumstances with respect to their social security obligations. Because they routinely operate in the territory of different countries, they may face the prospect of dual social security coverage and taxation. Flight crew members of an American aircraft may face US Social Security coverage for work performed both in the United States and, in certain instances, outside the United States. Because they are operating in another jurisdiction outside the United States, they may also face local social security obligations. This creates dual social security coverage and taxation.



## The solution

### Totalization agreements and certificates of coverage

The Social Security Administration has entered into a series of bilateral social security ("totalization") agreements with 30 countries that coordinate social security systems, prevent dual social security taxation, and allow workers who divided their careers between jurisdictions to retain benefit rights. These agreements allow for the issuance of certificates of coverage that document a worker's exemption from local social security in the host country. Certificate of coverage compliance is crucial to document exemption from local social security taxes and allow employees to retain social security coverage in the country to which they have the stronger attachment, preventing a potential loss of future benefit rights.



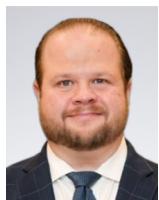
## Your compliance copilot

Flight crew compliance under totalization agreements is one of the most complex areas of international social security. Rules vary widely across agreements and depend on factors such as employee or employer nationality, employee country of residence, or employer headquarters. Complicating matters, a patchwork of administrative understandings concluded between the United States and counterpart countries exists that may alter coverage requirements. Missing a detail can mean dual taxation or lost benefits.

KPMG International Social Security Services brings firsthand experience negotiating and implementing these policies for the Social Security Administration. We'll help you chart a clear course—so your crew stays covered and your organization stays compliant.



## Contact us



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