

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

The Government of the United States of America and

the Government of the United Mexican States,

hereinafter referred to as "the Parties",

Being desirous of furthering the relationship between their two countries in the field of Social Security, have agreed as follows:

PART I

GENERAL PROVISIONS

Article 1

Definitions

1. For the purpose of this Agreement:

a. "United States" means the United States of America,

"Mexico" means the United Mexican States;

b. "Party" means the Government of the United States or the Government of Mexico;

- c. "National" means, as regards the United States, a national of the United States as defined in Section 101, Immigration and Nationality Act, as amended, and
as regards Mexico, a person born or naturalized as a Mexican, as specified by the Political Constitution of the United Mexican States;
- d. "Applicable laws" means the laws and regulations specified in Article 2 of this Agreement;
- e. "Agency" means, as regards the United States, the Social Security Administration, and
as regards Mexico, the *Instituto Mexicano del Seguro Social* (Mexican Social Security Institute);
- f. "Period of coverage" or "period of contribution" 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 or contribution by the applicable laws of either Party under which such period has been completed, or any similar period insofar as it is recognized by such applicable laws as equivalent to a period of coverage or contribution; and
- g. "Benefit" means any benefit provided for in the applicable 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

Scope

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:
 - 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,
 - Chapters 2 and 21 of the Internal Revenue Code of 1986 and regulations pertaining to those chapters;

- b. As regards Mexico, the following laws issued in compliance with Article 123, Section A, paragraph XXIX of the Political Constitution of the United Mexican States:
- i. provisions of the *Ley del Seguro Social* (Law of Social Security) and the regulations made thereunder regarding insurance concerning disability and life, retirement, early retirement for involuntary unemployment in old age (cesantía en edad avanzada) and old age;
 - ii. with regard to Part II only, provisions of the *Ley del Seguro Social* (Law of Social Security) and the regulations made thereunder, as they relate to insurance for sickness and maternity (including medical expenditures for pensioners) and work risks.
2. Unless otherwise provided in this Agreement, treaties or other international agreements on social security in force between one Party and a third State shall not be applicable for the purposes of this Agreement.
3. This Agreement shall also apply to future laws which amend or supplement the applicable laws specified in paragraph 1 of this Article.

Article 3

Equality of Treatment and Portability of Benefits

1. A person who is or has been subject to the applicable laws of one Party and who resides in the territory of the other Party, as well as the person's dependents or survivors who reside in the territory of the other Party, shall receive equal treatment with nationals of the other Party in the implementation of the applicable laws of the other Party regarding entitlement to and payment of benefits.
2. Unless otherwise provided in this Agreement, any provision of the applicable laws of a Party which restricts entitlement to or payment of benefits solely because the person resides outside or is absent from the territory of that Party shall not be applicable to the persons who reside in the territory of the other Party.

3. With respect to benefits derived from insurance provided in Title Two, Chapters V and VI of the Mexican *Ley del Seguro Social* (Law of Social Security) of 1997, the Government of Mexico agrees that no residency limitations shall be applied to the payment of benefits to nationals of either Party who reside outside of Mexico, including individuals who have been granted a pension under the repealed Social Security Law of 1973.
4. With respect to the payment of benefits comparable to those mentioned in the preceding paragraph, which are authorized in Sections 202 and 223 of the United States Social Security Act, the Government of the United States agrees that the Mexican Social Security System has characteristics specified in Section 202(t)(2) of the United States Social Security Act, and thus, the limitations established in Section 202(t)(1) of said Social Security Act are not applicable to nationals of either Party who reside outside of the United States.

PART II

Provisions Concerning Applicable Laws

Article 4

Coverage Provisions

1. Except as otherwise provided in this Article, a person who would otherwise be covered under the applicable laws of both Parties employed within the territory of one of the Parties shall, with respect to that employment, be subject to the applicable laws of only that Party, irrespective of the location of the person's place of residence or domicile, or the employer's place of business.
2. Where a person who is normally employed in the territory of one Party by an employer maintaining a place of business in that territory is sent by that employer to the territory of the other Party for a temporary period, the person shall be subject to the applicable laws of only the first Party as if the person were employed in the territory of the first Party, provided that the period of employment in the territory of the other Party is not 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 Party from which the person was sent) shall be considered one and the same, provided that the employment in the territory of the other Party would have been covered under the applicable laws of the Party from which the person was sent.

3. Paragraph 2 of this Article shall apply where a person who has been sent by his or her employer from the territory of a Party to the territory of a State that is not a Party is subsequently sent by that employer from the territory of that State to the territory of the other Party.
4. For the purpose of paragraph 2, where a person is required to work in the territory of the other Party for intermittent periods of short duration, each such period shall be considered a separate period of work.
5. A self-employed person who resides within the territory of a Party shall be subject to the applicable laws of that Party and not the other. If a self employed person resides within the territory of both Parties, the person shall be subject to the applicable laws of the Party in whose territory the person is present for the greater number of days in the taxable year.
6. Where the same activity is considered to be self-employment under the laws of one Party and employment under the laws of the other Party, that activity shall be subject to the applicable laws of only the first Party if the person resides in the territory of that Party.
7. Where an employer sends an employee from the territory of the United States to the territory of Mexico in accordance with paragraph 2 of this Article, the employer and employee shall be subject to all United States applicable laws specified in Article 2, paragraph 1(a), including the provisions relating to hospital insurance for the aged and disabled. The employer and employee shall remain subject to Mexican applicable laws as they relate to sickness and maternity insurance, unless the employer, upon request, furnishes evidence to the Mexican Agency that the employee and any accompanying persons who derive benefit rights from the employee are covered under insurance against the cost of health care, and the employer furnishes evidence, upon request, to the Mexican Agency that the employer will be responsible for paying cash sickness or maternity benefits, either directly or through insurance, to the employee in the event of illness or maternity, substantially equal to at least the cash sickness and maternity benefits that would be payable under Mexican applicable laws. Similarly, the employer and employee shall remain subject to Mexican applicable laws as they relate to work risks insurance (work accident and occupational diseases) unless the employer, upon request, furnishes evidence to the Mexican Agency that the employee is covered under insurance against these risks.
8. (a) A person who is employed as an officer or member of a crew on a vessel which flies the flag of one Party and who would be covered under the applicable laws of both Parties, shall be subject to the applicable laws of only the Party whose flag the vessel flies. For purposes of the preceding sentence, a vessel which flies the flag of the United States is one defined as an American vessel

under the applicable laws of the United States; a vessel which flies the flag of Mexico is one defined as a Mexican vessel under the laws of Mexico.

(b) A person who is employed as an officer or member of a crew on an aircraft registered under the laws of either Party, who performs work in the territories of both Parties and who would otherwise be covered under the applicable laws of both Parties shall, with respect to that work, be subject to the applicable laws of only the Party in the territory of which the firm has its home office. However, if such a person resides in the territory of the other Party, he or she shall be subject to the applicable laws of only that Party.

9. 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.
10. The Agencies may agree to grant an exception to the provisions of this Article with respect to particular persons or categories of persons, provided that any affected person shall be subject to the applicable laws of one of the Parties.

PART III

PROVISIONS ON BENEFITS

Article 5

United States Benefits

The following provisions shall apply to the United States:

1. Where a person has completed at least six quarters of coverage under United States applicable laws, but does not have sufficient periods of coverage to satisfy the requirements for entitlement to benefits under United States applicable laws, the Agency of the United States shall take into account, for the purpose of establishing entitlement to benefits under this Article, periods of contribution which are credited under Mexican applicable laws and which do not coincide with periods of coverage already credited under United States applicable 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 in each calendar year for every 13 weeks of contribution certified for that year by the Agency of Mexico; however, no quarter of coverage shall be credited for any calendar quarter already credited as a quarter of coverage under United States applicable laws. If the conversion described in the preceding sentence results in a remaining fraction of 13 weeks, the remainder shall be considered an additional quarter of coverage. The total number of quarters of coverage to be credited for a year shall not exceed four.

3. Where entitlement to a benefit under United States applicable 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 applicable laws based on (a) the person's average earnings credited exclusively under United States applicable laws and (b) the ratio of the duration of the person's periods of coverage completed under United States applicable laws to the duration of a coverage lifetime as determined in accordance with United States applicable laws. Benefits payable under United States applicable 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 applicable laws to establish entitlement to an equal or higher benefit without the need to invoke the provision of paragraph 1 of this Article.

Article 6

Mexican Benefits

The following provisions shall apply to Mexico:

1. If a person meets the requirements of Mexican applicable laws for entitlement to a benefit, the Agency of Mexico shall take into account only periods of contribution completed under Mexican applicable laws.
2. Where a person does not have sufficient coverage to establish entitlement to benefits under Mexican applicable laws, but has been covered under such laws at least 52 weeks, the Agency of Mexico shall take into account periods of coverage under United States

applicable laws, provided the periods do not coincide. In determining entitlement to benefits in accordance with this Article, the Agency of Mexico shall credit 13 weeks of contribution for every quarter of coverage certified by the Agency of the United States.

3. Where a person does not have sufficient coverage to establish entitlement to benefits under Mexican applicable laws, but has been covered under such laws at least 52 weeks, the Agency of Mexico shall take into account periods of coverage under United States applicable laws, provided the periods do not coincide. In determining entitlement to benefits in accordance with this Article, the Agency of Mexico shall credit 13 weeks of contribution for every quarter of coverage certified by the Agency of the United States.
4. Where entitlement to a benefit under Mexican applicable laws is established according to the provisions of paragraph 2 of this Article, the Agency of Mexico shall determine the amount payable by:
 - a. determining the amount of the benefit to which the person would have been entitled if all the periods of coverage or contribution credited under the applicable laws of both Parties had been completed under Mexican applicable laws, considering only the person's contribution wage (*salario base de cotización*), as defined in the *Ley del Seguro Social* (Law of Social Security);
 - b. multiplying the benefit amount derived in subparagraph (a) by the ratio of the periods of contribution completed under Mexican applicable laws to the periods required for establishing entitlement. This proportion will also apply to the guaranteed minimum pension.
5. When Mexican applicable laws require that a person be in receipt of a Mexican benefit at the time of death in order for survivors to qualify for survivors benefits, that condition shall be deemed to be fulfilled if the person was insured for or receiving a benefit under United States applicable laws, or had credit for at least one quarter of coverage under United States applicable laws during a period of twelve calendar quarters ending with the calendar quarter in which the insured event occurs according to Mexican applicable laws.
6. For purposes of determining whether the requirements of Mexican applicable laws for a retirement, early retirement for involuntary unemployment in old age (*cesantía en edad avanzada*), or old age benefit have been fulfilled, the Agency of Mexico shall take into account the amount of any benefit that is paid under United States applicable laws. In particular, for the purposes of this provision, the Agency of Mexico shall equate a benefit payable under United States applicable laws to an annuity regulated by the *Ley del Seguro Social* (Law of Social Security) of Mexico.

7. For purposes of entitlement to an orphan pension under Mexican applicable laws, attendance at an educational institution in the United States shall be considered equivalent to attendance at an institution of the Mexican National Educational System. Such an educational institution may be either a school that provides elementary or secondary education (grade 12 or below) as determined under the laws of a state or other jurisdiction within the United States, or a post secondary educational institution approved by the United States Department of Homeland Security.
8. For the purposes of recency of coverage requirements under Mexican applicable laws, the Agency of Mexico shall consider insured status and periods of coverage credited under United States applicable laws.
9. For the purposes of determining entitlement to medical insurance for pensioners and their beneficiaries, only periods of contribution completed under Mexican applicable laws shall be credited.

PART IV

MISCELLANEOUS PROVISIONS

Article 7

Administrative Arrangements and Understandings

The Agencies shall:

- a. Make all necessary administrative arrangements and arrive at all necessary administrative understandings for the implementation of this Agreement;
- b. Communicate to each other information concerning the measures taken for the implementation of this Agreement; and
- c. Communicate to each other, as soon as possible, information concerning all changes in their respective applicable laws which may affect the implementation of this Agreement.

Article 8

Mutual Assistance

1. The Agencies shall make their best efforts to ensure that nationals of both Parties enjoy the full advantages from the provisions of this Agreement.
2. The Agencies, 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 administrative understandings.

Article 9

Communications and Confidentiality of Exchanged Information

1. Unless otherwise required by the laws of a Party, information about an individual which is transmitted in accordance with this Agreement to a Party by the other Party shall be used exclusively for purposes of implementing this Agreement. Such information received by a Party shall be governed by the laws of that Party concerning the protection of privacy and confidentiality of personal data.
2. All official communications related to the payment of contributions, management of funds, calculation of benefits or payment of benefits, among others, shall be carried out only through the Agencies except to the extent that they expressly agree otherwise. Official communications may be in the language of either Party.

Article 10

Documents

1. Where the applicable laws of either Party provide that a document which is submitted to the Agency of a Party 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 Agency of the other Party in the implementation of this Agreement.
2. Copies of documents which are certified as true and exact copies by the Agency of one Party shall be accepted as true and exact copies by the Agency of the other Party, without further certification. The Agency of each Party shall be the final judge of the probative value of the evidence submitted to it from whatever source.

Article 11

Correspondence and Language

1. The Agencies 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 language of either Party.
2. Applications and supporting documents may not be rejected by the Agency of a Party because they are written in the language of the other Party.

Article 12

Applications

1. A written application for benefits filed with the Agency of one Party shall protect the filing date of the claimant for benefits under the applicable laws of the other Party if the applicant requests that it be considered an application under the applicable laws of the other Party.
2. If an applicant has filed a written application for benefits with the Agency of one Party and has not explicitly requested that the application be restricted to benefits under the applicable laws of that Party, the application shall also protect the filing date of the

claimant for benefits under the applicable laws of the other Party only if the applicant provides information at the time of filing indicating that the person on whose record benefits are claimed has completed periods of coverage or contribution under the applicable laws of the other Party.

3. The provisions of Part III shall apply only to benefits for which an application is filed on or after the date this Agreement enters into force.

Article 13

Appeals and Time Limits

1. A written appeal of a determination made by the Agency of one Party may be validly filed with the Agency of either Party. The appeal shall be dealt with according to the procedures and applicable laws of the Party whose decision is being appealed.
2. Any claim, notice or written appeal which, under the applicable laws of one Party, must have been filed within a prescribed period with the Agency of that Party, but which is instead filed within the same period with the Agency of the other Party, shall be considered to have been filed on time.
3. For purposes of Mexican laws which require that the Agency of Mexico complete action on a claim or an appeal within a prescribed period, a claim for Mexican benefits or an appeal that was first filed with the Agency of the United States shall be considered to have been filed on the date it is received by the Mexican Agency in accordance with Article 14.
4. The Agencies may establish, through administrative understandings, the time periods within which claims, notices and appeals will be processed.

Article 14

Transmittal of Claims, Notices and Appeals

In any case to which the provisions of Article 13 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 Party. The time period for resolution of the claim, notice or appeal shall begin on the day on which the Agency responsible for adjudicating the claim or appeal receives it.

Article 15

Currency and Fees

1. Payments under this Agreement may be made in the currency of the Party making the payments.
2. In the event that provisions that restrict the exchange or exportation of currencies are introduced by either Party, both Parties shall immediately take measures necessary to insure the transfer of sums owed by either Party under this Agreement.
3. Benefits paid under this Agreement shall be paid to beneficiaries free from any deduction for administrative costs of the Agencies. Notwithstanding the above, the Parties acknowledge the right of financial institutions to collect fees for their services.

Article 16

Settlement of Disagreements

Any disagreement regarding the interpretation or implementation of this Agreement shall be resolved through consultation between the Parties.

PART V

TRANSITIONAL AND FINAL PROVISIONS

Article 17

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 the Agreement, or to a lump sum death benefit if a person died before the entry into force of the Agreement.
2. In determining the right to benefits under this Agreement, consideration shall be given to periods of coverage or contribution under the applicable laws of either Party and other events material to the determination of benefits which occurred before the entry into force of this Agreement.
3. In applying paragraph 2 of Article 4 in the case of persons who were sent to the territory of a Party prior to the date of entry into force of this Agreement, the period of employment referred to in that paragraph shall be considered to begin on the date of entry into force of this Agreement.
4. Determinations concerning entitlement to benefits which were made before the entry into force of this Agreement shall not affect rights arising under it.
5. The implementation 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 18

Entry into Force

This Agreement shall enter into force on October 1, 2005 provided that each Party has previously communicated to the other Party that it has met all applicable constitutional or legal requirements for that purpose, or the first day of the third month following the month in which each Party has received written notification from the other Party of the completion of such requirements.

Article 19

Supplementary Agreements

This Agreement may be amended by supplementary agreements which shall be considered an integral part of this Agreement.

Article 20

Termination

1. Either Party may terminate this Agreement by giving written notice of its intent to do so to the other Party at any time. This Agreement shall remain in force and effect until the expiration of one calendar year following the year in which such written notice is given by one of the Parties.
2. If this Agreement is terminated, benefits already being paid shall continue to be paid, consistent with the applicable laws of each Party.

Article 21

Former Arrangements

The present Agreement terminates the arrangements embodied in the exchange of notes between the Embassy of the United States of America in Mexico City and the Mexican Secretariat of Foreign Relations on March 27, 1968, concerning limitations in United States and Mexican laws with respect to the payment of social security benefits to persons resident outside the respective countries.

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

SIGNED at Guadalajara on June 29, 2004, in duplicate in the English and Spanish languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Jo Anne B. Barnhart

FOR THE GOVERNMENT OF THE UNITED MEXICAN STATES:

Santiago Levy Algazi

**ADMINISTRATIVE ARRANGEMENT BETWEEN
THE UNITED STATES SOCIAL SECURITY ADMINISTRATION AND THE
MEXICAN SOCIAL SECURITY INSTITUTE
FOR THE IMPLEMENTATION OF
THE AGREEMENT ON SOCIAL SECURITY
BETWEEN THE UNITED STATES OF AMERICA
AND THE UNITED MEXICAN STATES
SIGNED ON JUNE 29, 2004**

The Social Security Administration of the United States of America and the Mexican Social Security Institute of the United Mexican States, hereinafter referred to as the "Agencies", in conformity with Article 7(a) of the Agreement on Social Security between the United States of America and the United Mexican States, hereinafter referred to as the "Agreement", have agreed as follows:

Part I

General Provisions

Article 1

The terms defined in Article 1 of the Agreement shall have the same meaning in this Administrative Arrangement. All procedures outlined in this Administrative Arrangement shall be carried out under the authority of the Agreement.

Article 2

1. The objective of this Administrative Arrangement is to establish the mechanisms for the implementation of the Agreement.
2. The Agencies shall by mutual consent establish the joint procedures and forms necessary for the implementation of the Agreement and this Administrative Arrangement.

Part II

Provisions on Coverage

Article 3

1. Where the applicable laws of a Party apply to a person, in compliance with the provisions of Article 4 of the Agreement, the Agency of that Party, upon request of an employer or self-employed person, shall issue a certificate stating that the employee or self-employed person is subject to the applicable laws of that Party and indicating the duration for which the certificate shall be valid. This certificate shall be proof that the named worker is exempt from the applicable laws on compulsory coverage of the other Party, as provided in the Agreement.
2. The Agency that issues a certificate referred to in paragraph 1 shall furnish a copy of the certificate to the Agency of the other

Party as needed by the latter Agency.

Part III

Provisions on Benefits

Article 4

1. Applications for benefits under the Agreement shall be submitted on forms to be agreed upon by the Agencies.
2. The Agency with which an application for benefits is first filed in accordance with Article 12 of the Agreement shall provide the other Agency with such evidence or other information in its possession as may be required to complete action on the claim.
3. The Agency which receives an application that was first filed with the other Agency shall without delay provide the other Agency with such evidence and other information in its possession as may be required for it to complete action on the claim.
4. The Agency with which an application for benefits has been filed shall verify the information pertaining to the applicant and his or her family members. The types of information to be verified shall be agreed upon by the Agencies.

Part IV

Miscellaneous Provisions

Article 5

The Agencies shall exchange statistics on the number of certificates issued under Article 3 of this Administrative Arrangement. They shall also exchange statistics on the number of benefits paid in the territory of the other Party, as well as the amount of the benefits. These statistics shall be furnished annually in a form to be agreed upon.

Article 6

In accordance with procedures to be agreed upon pursuant to Article 2, paragraph 2 of this Administrative Arrangement, an Agency

shall, upon request of the other Agency, furnish available information relating to the claim of any specified individual for the purpose of administering the Agreement.

Article 7

1. The Agencies may incur administrative expenses in connection with the implementation of the Agreement including, among others, the costs of finding potential claimants, verification of factors of entitlement, translations, and medical examinations.
2. Except as may be agreed to by the Agencies, where administrative assistance is requested under Article 8 of the Agreement, expenses other than regular personnel and operating costs of the Agency providing the assistance shall be reimbursed. This assistance may include, among others, the provision of medical examinations.
3. Upon request, an Agency shall furnish without cost to the other Agency any medical information and documentation in its possession relevant to the disability of the claimant or beneficiary.
4. Where the Agency of a Party requires that a person in the territory of the other Party who is receiving or applying for benefits under the Agreement submit to a medical examination, such examination, if requested by that Agency, shall be arranged by the other Agency in accordance with the rules of the Agency making the arrangements and at the expense of the Agency which requests the examination.
5. An Agency shall reimburse amounts owed under paragraph 2 or 4 of this Article upon presentation of a statement of expenses by the other Agency.

Article 8

This Administrative Arrangement shall enter into force on the same date as the Agreement and shall remain in force as long as the Agreement. Any modifications to this Administrative Arrangement shall be carried out under the terms of Article 19 of the Agreement.

SIGNED at Guadalajara on June 29, 2004, in duplicate in the English and Spanish languages, both texts being equally authentic.

FOR THE SOCIAL SECURITY ADMINISTRATION
OF THE UNITED STATES OF AMERICA:

Jo Anne B. Barnhart

FOR THE MEXICAN SOCIAL SECURITY INSTITUTE
OF THE UNITED MEXICAN STATES:

Santiago Levy Algazi