

FEDERAL BENEFITS UNIT

U.S.-Hungary Social Security Agreement and Administrative Arrangement (Totalization Agreement)

The U.S.-Hungary Social Security Agreement and Administrative Arrangement (so called Totalization Agreement) were both signed on February 3, 2015 and entered into force on September 1, 2016. The complete text of the principal agreement and administrative arrangement are available [here](#). The Totalization Agreement covers several aspects of Social Security coverage and benefits in both countries.

Dual Coverage

If you work overseas for an American company or, in some cases, a foreign company that is affiliated with an American company, you and your employer may have to pay Social Security taxes to both the United States and the foreign country on the same earnings. But, if you work in Hungary your Social Security coverage will be assigned to either the United States or Hungary so you and your employer do not have to pay taxes to both systems.

If you have been sent by your employer in the United States to work in Hungary for five years or less, you pay only U.S. Social Security tax and you are exempt from foreign tax. On the other hand, if you were hired in Hungary or delegated to work in to Hungary for more than five years, you generally will pay Social Security taxes only to the Hungarian system and will be exempt from paying U.S. Social Security taxes. In the same way, workers who are employed in the United States pay only U.S. Social Security taxes unless they were sent to the United States by their employer in an agreement country generally for five years or less.

Please note that the Federal Benefits Unit does not deal with the SSA tax collection. For more information on the tax aspect of the agreement please refer to your IRS representative or to the [SSA International Programs](#) page.

Eligibility for Benefits

The agreement can help those who have worked in both the United States and Hungary, but have not worked long enough in either country to qualify for Social Security benefits. Under the agreement, each country can count the work credits in the other country if this will help the claimant qualify for so called totalized benefits.

For example, if you earned at least six Social Security credits in the United States, but not enough to qualify for a benefit, we can count your credits in Hungary to make up the difference. If you meet the minimum eligibility requirements based on combined credits from both countries, you will receive a partial U.S. benefit that is proportional to the number of credits you earned in the United States. Hungary also can use your U.S. credits to help you meet the eligibility requirements for Hungarian pension.

Although each country may count your work credits in the other country, your credits are not actually transferred from one country to the other. They remain on your record in the country where they were earned. Therefore, it is possible for a person to qualify for a separate benefit payment from each country.

How to Apply for Totalization Benefits

If you reside in Hungary you can file a claim for the U.S. totalized benefits either with the Central Administration of National Pension Insurance, National Office for Rehabilitation and Social Affairs, National Health Insurance Fund or with the Federal Benefits Unit. Please contact the relevant

Hungarian agency or, if you chose to file your claim with the Federal Benefits Unit, contact us at FBU.Budapest@ssa.gov

If you reside in the U.S. you can file your claim with the nearest Social Security office. You can use the [office locator](#) tool to find it.

Useful Links

Central Administration of National Pension Insurance: <https://www.onyf.hu/en/>

National Office for Rehabilitation and Social Affairs: <http://norsa.gov.hu/>

National Health Insurance Fund: <http://www.oep.hu>