

Script for SSA-21 in MCS REMARKS Screen

The U.S. Internal Revenue Code (IRC) requires the Social Security Administration (SSA) to withhold a 30 percent Federal income tax from 85 percent of monthly retirement, survivors and disability benefits paid to beneficiaries who are neither citizens nor residents of the United States. This results in an effective tax of 25.5 percent of the monthly benefit. SSA must withhold this tax from the benefits of all nonresident aliens except those who are residents of countries that have tax treaties with the United States that do not permit the taxing of U.S Social Security benefits or provide for a lower tax rate.

For Federal income tax purposes, a person can be considered a U.S. resident, even if that person lives outside the U.S., if he or she:

- Has been lawfully admitted to the U.S. for permanent residence and that residence has not been revoked or administratively or judicially determined to have been abandoned; or
- Meets a substantial presence test. To meet this test in a given year, the person must be present in the U.S. on at least 31 days in that year, and the total number of days he or she was in the U.S. during that year and the previous two years must be at least 183 days as determined by the provisions of the IRC.

The Internal Revenue Service taxes the world-wide income of a U.S. resident who is living outside the U.S. in the same way that it taxes the income of a person living in the U.S. A person cannot be considered a U.S. resident in any year for which he or she has claimed a tax treaty benefit as a resident of a country other than the U.S.

SSA-21 MACRO for MCS REMARKS SCREEN

1. Dates of U.S. presence of 30 days or more (From and To:)
2. mm/yy-mm/yy, mm/yy-mm/yy, mm/yy-mm-yy, mm/yy-mm-yy,
3. Do you understand that you cannot be considered a U.S. resident in any
4. year you claim a tax treaty benefit as a resident of another country?(Y/N)
5. Do you claim to be a U.S. resident for income tax purposes?(Y/N)
6. Do you understand that if you are a U.S. resident, your worldwide
7. income is subject to U.S. income tax?(Y/N)
8. Have you been lawfully admitted for permanent residence?(Y/N)
9. Enter the permanent resident card number: A#####
10. Do you agree to notify SSA promptly if you abandon your U.S. resident
11. status or if the U.S. government revokes or abandons your resident status?
12. (Y/N)
13. Are you claiming a reduced rate of Federal income tax withholding from
14. your social security benefits as a resident of Canada, Egypt, Germany,
15. India, Ireland, Israel, Italy, Japan, Romania, Switzerland, or the United
16. Kingdom, as provided by the tax treaty between the U.S. and that country?
17. (Y/N)