

Script for SSA-21 in MCS REMARKS Screen

The U.S. Internal Revenue Code requires the Social Security Administration 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 provide an exemption for this tax, or a lower rate of withholding. Currently these countries are Canada, Egypt, Germany, India, Ireland, Israel, Italy, Japan, Romania, Switzerland, and the United Kingdom. You must check with the Internal Revenue Service for the current list.

If you are a U.S. resident alien, your worldwide income generally is subject to U.S. income tax, regardless of where you are living. 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 United States.

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

- Has been lawfully admitted to the United States for permanent residence and that residence has not been revoked or determined to have been administratively or judicially abandoned, or
- Meets a substantial presence test as determined by the provision of the Internal Revenue Code. To meet this test in a given year, the person must be present in the United States on at least 31 days in that year, and a minimum total of 183 days counting all the days of U.S. presence in that year, one-third of the total number of days of U.S. presence in the previous year, and one-sixth of the total number of days of U.S. presence in the year before that. The days of U.S. presence and exclusions are defined in the Internal Revenue Code.

SSA-21 MACRO for MCS REMARKS SCREEN

**1-Dates of U.S. presence of 30 days or more up to 3 occurrences—
mm/dd/yy-to-mm/dd/yy:**

2-Do you claim to be a U.S. resident for income tax purposes?

(NO+go to #3) / (YES+Do you understand that as a U.S.
resident, your worldwide income is subject to U.S. income tax? Y / N
+Have you been lawfully admitted for permanent residence? NO+explain
why you are a U.S. resident / YES+Alien registration number _____+
Do you agree to notify SSA if you formally abandon or the U.S. government
takes away your U.S. residency, or you begin to be treated as a resident
of a foreign country under the provisions of a tax treaty between the U.S.
and that country? Y / N) **3-Do you claim a reduced rate of**

withholding under the provisions of an income tax treaty with the U.S.?

NO / (YES+Name of country _____+dates of residency _____).