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# flash Alert

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## Albania – Social Security Agreement with Belgium Is in Force

by KPMG, Albania (a KPMG International member firm)

A new Social Security Agreement (SSA) between the Republic of Albania and the Kingdom of Belgium became effective on 1 January 2016.<sup>1</sup>

### Why This Matters

This bilateral agreement between Albania and Belgium will allow posted workers to be exempt for a maximum of 24 months from the obligation to contribute to the social security system of the other state where they are temporarily working. In principle, the agreement aims to prevent double coverage of social security contributions for temporary assignments in the other country.

The execution of the SSA between Albania and Belgium should provide social security protection for international assignees, so that they do not lose their social security benefits entitlement in their home country when they go to work in the other country.

The ratification of the agreement should also simplify the administration of assignments from Albania to Belgium and vice versa, thereby making it easier for international companies to deploy their employees in the other country.

### Key Benefit under the SSA for International Assignees and Their Employers

Under the SSA, employees seconded by their employers in one country to work in the other country on temporary assignments, but who remain covered by their home country's social security system, should be exempt from contributing to the social security system of the host country. This exemption from contributions in the host country is available when the employee obtains a Certificate of Coverage (CoC) from the relevant authority in the home country.

If the assignment duration is more than 24 months, the employee may continue being part of the social security scheme of the home country provided that the approval of the relevant competent authorities is issued.

### KPMG Note: Other SSA Developments

Albania currently is party to two other SSAs, with Turkey and Bulgaria. The SSA entered into between Albania and Turkey, however, is not typically being applied currently, largely due to non-standardization of the procedures to be followed.

Albania and Bulgaria entered into an SSA that took effect in 1953. However, it has largely been inapplicable due to several regime changes and legislative provisions implemented in both countries in the intervening period that make the agreement's application impossible in practice. The two governments are working to negotiate a new agreement.

### KPMG Note (cont'd)

Currently, Albania has signed other SSAs, or is in the negotiation phase, with the following countries:

Austria\*      Canada\*      Czech Republic\*\*      Germany\*\*      Hungary\*\*

Italy\*\*      Luxembourg\*\*\*      Macedonia\*\*      Romania\*\*

\* Initialized or under negotiations

\*\* Ratified, however not yet in force

\*\*\* Signed, however not yet ratified

*Footnote:*

1 Agreement entered into between the Republic of Albania and the Kingdom of Belgium on social security protection, was ratified by the Albanian Parliament with Law no 35/2014 (published in the Official Gazette (*Fletorja Zyrtare*) No. 57/2014, dated 24 April 2014).

See (in Albanian): [http://www.qbz.gov.al/botime/fletore\\_zyrtare/2014/PDF-2014/57-2014.pdf](http://www.qbz.gov.al/botime/fletore_zyrtare/2014/PDF-2014/57-2014.pdf).

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