



Global Employer Services Social security

Five-year threshold approaches in Belgium-Brazil social security agreement

The social security agreement between Belgium and Brazil, implemented on 1 December 2014, enables employees from Belgium on temporary assignment in Brazil to remain subject to the Belgian social security scheme (and vice versa).

The agreement will soon have been in place for five years, a milestone that requires employers' attention.

Assignment duration

As stipulated in the agreement, an assignment is possible for a duration of two years, which can be extended for up to a maximum five years under certain conditions. Since the treaty was implemented on 1 December 2014, the first occurring five-year period expires on 30 November 2019. This means that in principle and from 1 December 2019, the host country's social security scheme becomes applicable, requiring employees to switch to the host country's social security system.

Exceptional extension

Nevertheless, according to the Belgian social security administration, the five-year period can be extended exceptionally in the following situations:

- Finalisation of tasks (6 months)
- Approaching retirement age (1 year)
- Extensive restructuring (1 year)

It should be noted that an exceptional extension will only and strictly be granted if the employee returns after the extension period. However, if the employee continues to work in the host country, his/her social security coverage will undergo retroactive correction, which means that the host country's social security legislation becomes applicable as of the exceptional extension's start date.

Voluntary Belgian Overseas Social Security Scheme

For Belgian company employees assigned to Brazil and reaching the five-year threshold, there is a possibility to affiliate with the voluntary Belgian Overseas Social Security Scheme (OSS) during their continued assignment in Brazil. It should be noted that such OSS affiliation would run in parallel with Brazilian compulsory social security contributions.

Deloitte's recommendation

As there may be significant consequences regarding the applicable social security scheme, employer cost and employee benefits, Deloitte recommends a thorough screening of all employees falling within the scope of this social security agreement.

Deloitte Belgium's immigration and social security team is readily available to provide detailed information regarding this matter, and to help employers take appropriate action.

Contacts

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