



## GES Alert

### Harmonizing global & local perspectives

Social Security Agreement with Canada effective from 1 August 2015

**Issue no: GES/19/2015**

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# Background

- The India Canada social security agreement (the SSA) was signed on November 6, 2012. The SSA has now been notified and is effective from 1st August 2015. With this agreement, India now has SSAs with 15 countries which are effective.

## Applicable Legislations

**The SSA applies to the following:**

**India: All legislations concerning:**

- old-age and survivors' pension for employed persons; and,
- the permanent total disablement pension for employed persons

This covers the Employees' Provident Fund and Pension schemes

**Canada: All legislations concerning:**

- Old Age Security Act and regulations made thereunder
- Canada pension plan and regulations made thereunder

## Benefits Covered

SSAs typically provide for three kinds of benefits, viz. detachment, export of benefits and totalisation. India Canada SSA provides for all the above benefits.

Salient features of the agreement with respect to detachment are

- Employees posted to the host country will be exempted from contributing to the host country social security programme provided home country social security contributions are continued and a Certificate of Coverage (COC) is obtained from the home country. The period of coverage is for a period up to 60 months; however, the same can be extended beyond 60 months with the mutual consent of both the contracting states.

- Based on the transitional provisions, the above mentioned period of detachment in respect of an individual who has been deputed prior to the commencement of this agreement shall apply from the effective date of the SSA, i.e. 1st August, 2015.

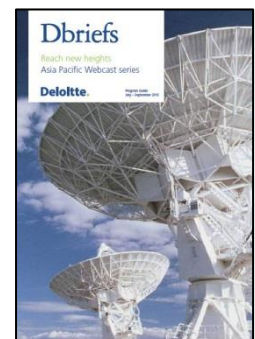
## Comments

With the India Canada SSA in force, Indian employers having outbound employees to Canada will be able to apply for COCs where India PF is being continued and optimize on the social security costs. Further, foreign nationals on assignment to India can now be exempted from contributing to India PF, provided they continue the contributions to Canada social security schemes and have a COC from the Canadian authorities. Foreign nationals from Canada who have contributed to India PF will be eligible for withdrawal of the accumulated balances in their provident fund accounts on repatriation from India. Employers with mobile population to/from Canada would be well advised to review their deputation arrangement in order to leverage on the above development. The India Canada SSA does not cover the Quebec region. The SSA with Quebec has been signed but is yet to be made effective.

**Source:** EPFO Circular IWU/7(3)2009/Canada/Quebec dated 31 July 2015 read with Social Security Agreement between India and Canada signed on 6 November 2012

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# Contacts

## Ahmedabad

Heritage, 3rd Floor,  
Near Gujarat Vidyapith,  
Off Ashram Road,  
Ahmedabad – 380 014.  
Tel: + 91 (079) 2758 2542  
Fax: + 91 (079) 2758 2551

## Coimbatore

Shanmugha Manram  
41, Race Course,  
Coimbatore  
Tamil Nadu - 641018  
Tel: + 91 (0422) 439 2801  
Fax: +91 (0422) 222 3615

## Kolkata

Bengal Intelligent Park Building Alpha,  
1st floor, Block EP and GP Sector V,  
Salt Lake Electronics Complex,  
Kolkata - 700 091.  
Tel : + 91 (033) 6612 1000  
Fax : + 91 (033) 6612 1001

## Bangalore

Deloitte Centre, Anchorage II,  
100/2, Richmond Road,  
Bangalore 560 025.  
Tel: +91 (080) 6627 6000  
Fax: +91 (080) 6627 6010

## Delhi/Gurgaon

Building 10,  
Tower B, 7th Floor,  
DLF Cyber City,  
Gurgaon 122 002  
Tel : +91 (0124) 679 2000  
Fax : + 91 (0124) 679 2012

## Mumbai

Indiabulls Finance Centre,  
Tower 3, 28th Floor,  
Elphinstone Mill Compound,  
Senapati Bapat Marg, Elphinstone (W),  
Mumbai – 400013  
Tel: + 91 (022) 6185 4000  
Fax: + 91 (022) 6185 4101

## Chennai

No.52, Venkatanarayana Road,  
7th Floor, ASV N Ramana  
Tower,  
T-Nagar,  
Chennai 600 017.  
Tel: +91 (044) 6688 5000  
Fax: +91 (044) 6688 5050

## Hyderabad

1-8-384 and 385, 3rd Floor,  
Gowra Grand S.P.Road,  
Begumpet,  
Secunderabad – 500 003.  
Tel: +91 (040) 6603 2600  
Fax: +91 (040) 6603 2714

## Pune

106, B-Wing, 7<sup>th</sup> Floor,  
ICC Trade Tower,  
Senapati Bapat Road,  
Pune – 411 016.  
Tel: + 91 (020) 6624 4600  
Fax: +91 (020) 6624 4605

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