

Social Security

Program Operations Manual System (POMS)

TN 10 (03-04)

GN 01701.320 Types of Pensions in Totalization Agreement Countries That Will Not Trigger the Windfall Elimination Provision (WEP)

A. Introduction

Some agreement countries pay pensions that are based entirely on nonwork-related factors such as residence. Other pensions paid by agreement countries may be based entirely on work or on a combination of work and nonwork factors (e.g., work and voluntary contributions).

B. Policy

Foreign pensions that are based entirely on nonwork factors do not cause the WEP to apply in the computation of a regular (non-Totalization) primary insurance amount (PIA). Foreign pensions that are based on work or a combination of work and nonwork factors may cause the WEP to apply. However, when a foreign pension is based on a combination of work and nonwork factors, only that portion of the foreign pension attributable to work will be considered for purposes of applying the guarantee provision of the WEP.

C. Kinds of pensions from agreement countries

The following chart shows the types of benefits paid by agreement countries that will not cause the WEP to apply. Generally, the types of pensions are based on residence. If a type of benefit paid by an agreement country is not listed, assume that it may cause the WEP to apply.

COUNTRY	TYPE OF BENEFIT
Australia	Social Security
Canada	Old-Age Security (OAS)
Denmark	Folkepension (FP)
Finland	National Pension Scheme (NPS)
Netherlands	National Insurance Scheme (AOW)

COUNTRY	TYPE OF BENEFIT
Norway	Basic Pension Program
Sweden	Basic Pension Program

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