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United States Senate

WASHINGTON, DC 20510-1401

March 10, 2009

Mr. Louis Ambrose
5235 Westview Dr, Suite 100
Frederick, Maryland 21703

Dear Mr. Ambrose:

Thank you for contacting me regarding Social Security. I appreciate this opportunity to respond.

Since the late 1970's, the United States has established international Social Security agreements that coordinate the U.S. Social Security program with the comparable programs of other countries. These international Social Security agreements are called "totalization agreements." The United States has similar Social Security agreements with 20 countries, including Australia, Canada, Chile, South Korea, and nearly every country in Western Europe.

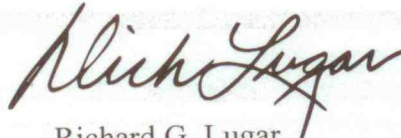
Totalization agreements eliminate dual Social Security taxation that occurs when a worker from one country works in another country and is required to pay Social Security taxes to both countries on the same earnings. As a result of existing totalization agreements, U.S. workers and employers currently are saving about \$800 million annually in foreign taxes they do not have to pay. These agreements also help fill gaps in benefit protection for workers who have divided their careers between the U.S. and another country, but who have not worked long enough in one or both countries to qualify for Social Security benefits. With totalization, workers are allowed to combine work credits from both countries to become eligible for benefits. The benefit amount paid is proportional to the amount of credits earned in the paying country.

A totalization agreement does not alter existing law relative to undocumented workers. It would have no effect on the prohibition against payment of benefits to illegal aliens in the U.S. Workers would still be required to work a minimum of forty quarters and be legal residents to qualify for benefits.

In order for this agreement to be implemented, Congress must review it for 60 session days. At this time, the agreement has not been transmitted to Congress. As this process moves forward, I will keep your concerns in mind.

Thank you, again, for taking the time to share your concerns with me.

Sincerely,

A handwritten signature in dark ink, reading "Rich Lugar". The signature is written in a cursive style with a large, sweeping "L" and a stylized "G".

Richard G. Lugar
United States Senator

RGL/cgj