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# KARNATAKA EMPLOYERS' ASSOCIATION

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Reg. No. TU 507 / 20-3-1962

Date : 26-12-2012

CIRCULAR No.80/2012

To  
All Members of the Association

## **SUB: INDIA AND SWEDEN SIGN SOCIAL SECURITY AGREEMENT**

1. India has signed a social security agreement (SSA) with Sweden on 26.11.2012. The agreement enters in to force three months after the exchange of information that India and Sweden have complied with all domestic requirements for the agreement entry in to force. The agreement must also be approved by the Swedish Parliament which is planned for Spring 2013.
2. Sweden is the fifteenth country with which India has signed an SSA. India has already signed SSAs with Belgium, Germany, Switzerland, France, Luxembourg, Netherlands, Hungary, Denmark, Czech Republic, Republic of Korea, Norway, Finland, Canada and Japan.
3. **Key benefits of the Agreement**

The SSA between India and Sweden envisages the following benefits:

### **3.1 Exemption from Social Security Contribution in the host country**

For short term contract up to two years, social security contributions will not need to be paid under the Swedish law by Indian outbound employees provided they continue to make social security payment in India.

The above exemption will also be available when the Indian company sends its employees to Sweden from a third country.

### **3.2 Export of Benefits**

Indian employees will be entitled to the export of social security benefit if they relocate to India after the completion of their service in Sweden. The self-employed Indians in Sweden would also be

entitled to export of social security benefit on their relocation to India.

### 3.3 Totalization of contributory periods

The period of contribution in one contracting state will be added to the period of contribution in the second contracting state for determining the eligibility for social security benefits.

## 4. Action points

The signing of the India – Sweden SSA is a welcome step as it will result in cost savings and social protection of migrant professionals in respect of deputation arrangement for employees, which in turn would lead to increase in economic activity between the two countries. Companies that have assignees posted to India / Sweden may start reviewing their assignment policies to avail benefit under the India – Sweden SSA when it enters into force.

for KARNATAKA EMPLOYERS' ASSOCIATION

*B.C. Prabhakar*

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PRESIDENT