

2016. August 23.

New treaty between Hungary and the US on Social security enters into force

After a lengthy wait the social security treaty between the United States and Hungary, signed by representatives of both countries on 3 February last year, will enter into force on 1 September 2016. The bilateral agreement is designed to simplify the deliberation of social security payment obligations related to short and long-term overseas work postings. The main rules on the social security obligations of overseas postings are as follows:

- For temporary postings shorter than five years, as a general rule, the social security regulations of the sender country shall be observed.
- When working abroad for more than five years, the regulations of the country in which the actual work is performed shall be complied with.
- For postings which started earlier, 1 September 2016 shall be considered the start date of the posting.

The treaty thus eliminates a large number of situations in which dual social security payment obligations have applied so far, even in cases where the period of the posting started earlier.