

Japanese-Dutch social security treaty

On March 1, 2009 a treaty between the Netherlands and Japan on social security will enter into force. This treaty contains provisions that affect that social security legislation of the Netherlands and Japan are geared to one another. This for instance prevents an individual from being covered by the social security system of both countries (and paying social security premiums in both countries) or not being covered at all. Furthermore, it contains agreements about the export, issuing and supervision of social security benefits. When the treaty has entered into force, it can have consequences for an individual in a current or future cross border working situation between Japan and the Netherlands.

Persons covered

The treaty applies to any individual who is or has been subject to the Japanese or Dutch social security legislation. Not only an individual with the Japanese or Dutch nationality can be covered by this treaty, but also a third national individual who is or has been subject to the Japanese or Dutch social security legislation.



Matters covered

The treaty covers various Japanese and Dutch insurances and health care systems. For Japan it covers certain pension systems and health insurance systems. For the Netherlands the national insurances, the employees insurances and the health insurance are covered.



Main rule regarding the applicable legislation

The purpose of this treaty is to affect that only one social security legislation is applicable to an individual in a cross border working situation between Japan and the Netherlands. The main rule is that an individual is subject to the social security system of the country where he performs his activities (host country). In this respect no distinction is made between an individual working as an employee or as self-employed person.

Exceptions to the main rule regarding the applicable legislation

In certain situations exceptions will be made to the above mentioned main rule, for instance in case of secondment. If an employee is temporarily assigned by his employer (who is situated in one country) to the other country, the social security system of the country of origin remains applicable. An assignment is considered temporarily if the assignment period does not exceed 5 years.

In addition, exceptions to the main rule are made for a self-employed person who temporarily works as a self-employed person in the other country (host country), members of diplomatic missions, members of consular posts, civil servants and employees on board of a sea-going vessel.

Transitional provisions

For this treaty also transition rules apply. For instance, for individuals who were already seconded to the other country it is a possibility to consider that the period of secondment has started on the date this treaty comes into force. This would mean that for a period of 5 years maximum the individual concerned can be covered by the social security system of his country of origin.

Please contact Grant Thornton if you would like to know whether application of the transition rules are beneficial for you or not.

Social security benefits

The treaty includes provisions about Japanese and Dutch social security benefits, e.g. the determination of the entitlement to a benefit and the amount of the benefit.



With respect to the Japanese benefits the treaty for instance includes a provision on the basis of which certain periods of coverage under the Dutch social security legislation can be taken into account for the determination of entitlement to a Japanese benefit. This can be relevant in case the individual does not have sufficient periods of coverage in Japan to fulfill the requirement for entitlement to a Japanese benefit.

Regarding the Dutch social security benefits it is for instance mentioned that in principle the entitlement to and the calculation of the Dutch old-age benefit will only be based on the completed periods of coverage by the Dutch social

security legislation. Furthermore, with regard to the survivors' benefit it is determined that under circumstances an individual who is subject to the Japanese social security legislation at the time of death, can still be entitled to a Dutch survivors' benefit.

Family members

In principle this treaty also applies to family members or survivors of the concerning individual. This is for instance of importance when determining the entitlement of a family member to a benefit and the amount of the benefit.



Furthermore it is determined that the spouse and children of an individual who is seconded from Japan to the Netherlands (and who remains covered by the Japanese social security system), will in principle also remain covered by the Japanese social security system. An exception is made for the spouse and/or children who are performing activities in the Netherlands themselves as an employee or self-employed person. With regard to the reverse situation (spouse and children of an individual seconded from the Netherlands to Japan), such provision is not included in the treaty.

For more information about the new Japanese-Dutch social security treaty and the possible consequences in any specific situation, you can contact Jaap Spierenburg on jaap.spierenburg@gt.nl (or call him on +31 172 42 38 70). Of course you can also call your regular contact person with Grant Thornton. We will be glad to assist you.