Executive summary
The Social Security Totalization agreement, signed in 2010 between Italy and Israel, has come into force starting from 1 December 2015.

Replacing an older agreement it provides some specific rules in terms of totalization of the social security periods but covers only certain benefits as opposed to all benefits previously covered.

Provided its requirements and conditions are met, the Agreement allows employees assigned between Italy and Israel to fall under the social security laws of only one of those countries (regardless of citizenship), avoiding instances of double social security liability. It also totalizes periods of insurance in both countries when determining eligibility for benefits.

Key features

1. **Benefits covered**
The Agreement applies to the following benefits:
   - Italy: disability, old-age and survivors of employees and self-employed.
   - Israel: invalidity, old-age and survivor.

2. **Certificates of Coverage**
Employees seconded between Italy and Israel can remain covered by the social security scheme of their home country via a Certificate of Coverage (“CoC”). Under the new provisions, a “CoC” will ensure individuals to remain in their home country scheme for up to 24 months (instead of 36 months) without any restriction. Extensions can be obtained for up to two further years subject to prior approval of the pertinent authorities of the host country.

3. **Totalization of periods of coverage**
The Agreement allows individuals to aggregate periods of insurance accrued in Italy and Israel, if required, in order to qualify for benefits of either one of the two States. This means that the period of contributions accrued in one country will be added to the period of contributions in the other country for determining the eligibility of benefits.

4. **Transaction rules**
Any insurance period already performed by employees and covered by the previous agreement will have to be taken into consideration for the period of validity of a new “CoC” under the new agreement.

Next steps
Companies with employees seconded between Italy and Israel should urgently review how this Agreement might affect current and future social security liabilities and costs.

In particular, employers should:
- Review the terms of planned assignments to ensure they will be eligible for coverage under the Agreement, and the impact this will have on assignment costs.
Where relevant for both current and future assignments, begin the process of applying for certificates of coverage from the appropriate authorities.

Review current payroll withholding processes to ensure payments are correct following the introduction of the Agreement.

Consider any communication to employees affected by the Agreement.

Review the impact the introduction of the Agreement will have on existing secondment policies.