

No. 30554

**UNITED STATES OF AMERICA
and
PANAMA**

Exchange of notes constituting an agreement concerning the participation by members of the Panama Canal Commission and United States forces in the Panamanian social security system. Panama, 9 March 1982

Authentic texts: English and Spanish.

Registered by the United States of America on 2 December 1993.

**ÉTATS-UNIS D'AMÉRIQUE
et
PANAMA**

Échange de notes constituant un accord relatif à la participation des membres de la Commission du canal de Panama et des forces des États-Unis dans le système panaméen de sécurité sociale. Panama, 9 mars 1982

Textes authentiques : anglais et espagnol.

Enregistré par les États-Unis d'Amérique le 2 décembre 1993.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND PANAMA CONCERNING THE PARTICIPATION BY MEMBERS OF THE PANAMA CANAL COMMISSION AND UNITED STATES FORCES IN THE PANAMANIAN SOCIAL SECURITY SYSTEM

I

*The American Ambassador
to the Panamanian Minister of Foreign Relations*

Panama, March 9, 1982

No. 018

Excellency,

I have the honor to refer to recent discussions between representatives of our respective governments concerning an arrangement of payment between the Social Security Administration of Panama and the Panama Canal Commission and the United States Forces for the contribution to be made by the employers in order to assure full insurance coverage for employees covered by the Social Security Administration in accordance with applicable laws and regulations.

I have the honor to propose the following terms of agreement, which will constitute this arrangement of payment:

1. That the agreement become effective for the CSS contributions for 1982, i.e., prospectively;
2. That the CSS contribution will be calculated in accordance with the annual CSS payment schedule after adjustment for the

¹ Came into force on 9 March 1982, the date of the note in reply, in accordance with the provisions of the said notes.

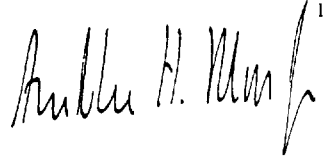
portion that represents the taxes on that payment, and that it will be calculated after the fact as is now done in the Republic of Panama. The payment will be remitted to the Social Security Administration. In addition, that period of earnings used to calculate the contribution (April 16 through August 15) will be adjusted to meet the peculiarities of the U.S. Government payroll system which are on a biweekly rather than a bimonthly or monthly basis--as is generally the case in the Republic of Panama;

3. That the Panama Canal Commission and the U.S. Forces endeavor to obtain the necessary funding authority to cover the amounts of the past due contributions for 1980 and 1981 and that each agency negotiate individual payment schedules which take into account each agency's respective funding problems;
4. That the pension benefits for employees for whom the contributions had not been made for 1980 and 1981 be calculated in the same manner as they would have been calculated had those contributions been made, provided the terms of Paragraph 3 are being met and the regular employer/employee contributions for such employees have been paid;

5. That the matter concerning any interest and penalties that may have accrued on the past due contributions for 1980 and 1981 be submitted to diplomatic channels;
6. That by making this additional payment, it is understood that there is no obligation to pay the first or third portions of the 13th month bonus to employees;
7. That the contribution be made by the employer to ensure an adequate pension benefit for employees enrolled in the mandatory social security system and that it shall not be collected from the wages nor shall it be treated as wages of such employees;
8. That upon reaching agreement, the deductions related to this payment which have been collected from employees during the past year be refunded to such employees.

I have the further honor to propose that this Note and your reply thereto, indicating acceptance of the proposed terms of agreement, shall constitute an Agreement between our two governments in order to assure full insurance coverage for employees of the Panama Canal Commission and the United States Forces covered by the Social Security Administration, effective as of the date of your reply.

Accept, Excellency, the renewed
assurances of my highest consideration.

A handwritten signature in black ink, reading "Ambler H. Moss, Jr." with a superscript "1" at the end of the signature.

His Excellency
Jorge E. Illueca
Minister of Foreign Relations
Panama, Republic of Panama

¹ Ambler H. Moss, Jr.

[TRANSLATION — TRADUCTION]¹REPUBLIC OF PANAMA
MINISTRY OF FOREIGN RELATIONS
OFFICE OF THE MINISTERPanama, R.P.
March 9, 1982

No. 58

Mr. Ambassador,

I have the honor to acknowledge receipt of note No. 18, dated March 9, 1982, by which Your Excellency, as Ambassador of the United States of America to the Government of the Republic of Panama, informed me of the following:

[*See note I*]

With respect to the note transcribed above, I have the honor to inform Your Excellency that my Government accepts the terms proposed for this arrangement of payment and that Your Excellency's note and this reply constitute an agreement between the Government of the Republic of Panama and the Government of the United States of America to assure full insurance coverage for employees of the Panama Canal Commission and the United States Forces in the Regimen de la Caja de Seguro Social [Social Security Administration]. The agreement enters into force on the date of this note.

Accept, Excellency, the assurances of my highest consideration.

JORGE E. ILLUECA
Minister of Foreign RelationsHis Excellency
Ambler H. Moss, Jr.
Ambassador of the United States of America
Republic of Panama

¹ Translation supplied by the Government of the United States of America — Traduction fournie par le Gouvernement des Etats-Unis d'Amérique.