

Canadian, Germany and other foreign Equivalent Social Security Benefits Paid to Residents of the U.S.

Under income tax treaties with Canada and Germany, social security benefits paid by those countries to U.S. residents are treated for U.S. income tax purposes as if they were paid under the social security legislation of the United States.

Canadian Social Security Benefits are reported on **Canadian Form NR4** with the payments described as Old Age Security and/or Canada Pension Plan.

Convert Old age Social Security and/or Canada Pension Plan benefits and Health Insurance payments to US Dollars before entering the information into TaxSlayer.

Determine the Dollar/Canadian Dollar conversion factor for the year and convert the benefits to US dollars. Using the TaxSlayer Social Security menu, enter the taxpayer or spouse social security benefits in US dollars. If the taxpayer has both US and Canadian benefits, combine the two and make a single entry in U.S. dollar amounts. Document the dollar/Canadian dollar conversion factor in a TaxSlayer Sticky note.

Sticky Note Example: Used an average Conversion factor for 2018 of :
For a German Pension 1 Eurodollar = \$.915236
For a Canadian Pension 1 Canadian Dollar = \$1.371464

Example: (Combine US Social Security benefits w/ Canadian Pension Plan & Old Age benefits)
U.S. Social Security \$10,000 + Canada Pension Plan + \$4,000 /1.371464 Canadian Old Age Security + \$5,000/1.371464 = \$16562 total to Social Security Worksheet

Germany

U.S. Social Security \$10,000, + German Social Security 5,000 Eurodollars /.915236 = \$15463 to Social Security Worksheet

Other Foreign Countries

Similar equivalent social security benefit payments from other countries are not covered by US income tax treaties. If the counselor is certified on International, convert the benefits to US dollars and enter the benefits as “Other” income on 1040 Schedule 1.