

Canada and Germany Social Security Benefits Paid to Residents of the U.S.

Canada Pension Plan, Quebec Pension Plan and Old Age Security from Canada and Germany are treated like US Social Security. Add amounts (converted to US dollars by the taxpayer) to amounts on Social Security SSA-1099 entry screen. All other foreign old age pensions are out of scope.

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

The taxpayer should have converted the foreign income into U.S. dollars. Add that to any U.S. Social Security benefit and enter the total as a Social Security Benefit for the taxpayer or spouse in TaxSlayer's Social Security Worksheet:

Social Security SSA-1099/RRB-1099	
Tier I	
Taxpayer's Social Security Benefit (Generally Box 5 of Form SSA-1099)	<input type="text" value="\$"/> ←
Taxpayer's Federal Tax Withheld (Amount from Box 6 of Form SSA-1099)	<input type="text" value="\$"/>
Taxpayer's Medicare Premiums	<input type="text" value="\$"/>
Spouse's Social Security Benefit (Generally box 5 of Form SSA-1099)	<input type="text" value="\$"/> ←
Spouse's Federal Tax Withheld (Amount from Box 6 of Form SSA-1099)	<input type="text" value="\$"/>

If needed, use the yearly Average Currency Exchange Rates at the IRS web site:

<https://www.irs.gov/individuals/international-taxpayers/yearly-average-currency-exchange-rates>

Examples:

Canada: 2019 exchange rate: 1.327

U.S. Social Security	\$10,000
Canada Pension Plan: \$4,000 / 1.327	3,014
Canadian Old Age Security: \$5,000 / 1.327	<u>3,768</u>
Total to Social Security Worksheet	\$16,782

Germany: 2019 Euro zone exchange rate: .893

U.S. Social Security	\$10,000
German Social Security: \$5,000 / .893	<u>5,599</u>
Total to Social Security Worksheet	\$15,599

Make a note in the taxpayer's return that shows your calculation and the exchange rate. Notes can be found by clicking on the taxpayer name; a drop-down menu will appear.

