

Draft Chile Note Social Security Amendment

Honourable Minister

I have the honour to address Your Excellency in reference to the discussions held between both Governments on the need to incorporate into the Agreement on Social Security between the Government of the Republic of Chile and the Government of Australia, subscribed on March 25, 2003, an amendment intended to include additional Chilean regulations in those benefits which are not considered as income for the purposes of Australian laws, and to allow the inclusion in Australian laws of other exceptions, provided a written agreement is reached between the Competent Authorities of both countries.

To confirm the above, I hereby propose to Your Government, on behalf of the Government of the Republic of Chile, to amend Article 17 of the existing Social Security Agreement between Chile and Australia, by changing the wording of the paragraph 1, incorporating new subparagraphs (c) and (d). The proposed amendments would read as follows:

“1. Where a person receives or is entitled to receive a benefit under the social security laws of Australia,

.....

.....

(c) payments made under Chilean law number 19.992 (annual mercy pensions); and
(d) any other payments of a similar character, granted under laws made later than those listed in subparagraphs (a) (b) and (c) above, and jointly approved in writing by the competent authorities,
shall not be included for the purpose of assessing the rate of that Australian benefit.”

Accordingly, paragraph 1 of Article 17 of the Social Security Agreement would read as follows:

“ARTICLE 17

Exclusion of Chile’s Mercy Payments from the Australian income test

1. Where a person receives or is entitled to receive a benefit under the social security laws of Australia:

(a) monthly payments made under Chilean Law number 19.123 (mercy payments);
(b) periodical monthly mercy payments made under Chilean Law number 19.234;
(c) payments made under Chilean law number 19.992 (annual mercy pensions); and
(d) any other payments of a similar character, granted under laws made later than those listed in subparagraphs (a) (b) and (c) above, and jointly approved in writing by the competent authorities,
shall not be included for the purpose of assessing the rate of that Australian benefit.”

If the proposed amendment is acceptable to the Australian Government, this Note and Your Excellency's affirmative reply shall constitute an Agreement between the two Governments on the matter.

This amendment shall enter into force on first day of the second month following the month of receipt of the last written notice from the Contracting Parties stating that all requirements for the entry into force of this amendment have been complied with.

This amendment is concluded in the Spanish and English languages, both texts being equally authentic.

Honourable Minister, I avail myself of this opportunity to renew to you the assurances of my highest and most distinguished consideration.

Alejandro Foxley Rioseco
Minister of Foreign Affairs