Overview of Positions on Key Issues Facing Americans Abroad

US legislation and discriminatory practices make it increasingly difficult for Americans to live and work overseas and burden their visits and eventual return to the US. We urge Congress and the Administration to pass new tax legislation, simplify financial reporting requirements, clarify and amend voting provisions to improve access to Social Security and Medicare benefits. Citizens abroad must be given timely notifications, consistent with due process, of measures affecting their rights. These measures will help overseas Americans in their role as ambassadors abroad while improving American competitiveness and the creation of jobs.

**TAXATION:** American citizens abroad are unfairly burdened by a complex citizen-based system with high tax preparation costs, the risk of double taxation, employment discrimination and competitive business disadvantage while receiving little of the benefits provided to citizens residing in the homeland. We, therefore, welcome the Tax Fairness for Americans Abroad Act (HR 7358) initiative and urge bipartisan support for its passage. Americans abroad should be exempted from the recently enacted “GILTI”.

**FATCA:** The Foreign Account Tax Compliance Act (FATCA) understandably targets those who evade paying taxes by hiding assets in undisclosed foreign bank accounts, but as an unintended consequence, penalizes law-abiding American citizens overseas and US economic interests. We urge FATCA reform through the adoption of actions that would eliminate overlapping reporting requirements, mitigate burdens on US persons abroad while enhancing compliance efforts as proposed by the GAO in its April 2019 report.

**BANKING:** Overseas Americans are being denied financial services worldwide by both US and foreign banks. We call for legislation to require US banks to provide services to US citizens with a foreign address while satisfying their Know Your Customer requirements; to ease the reporting burden on foreign financial institutions so as to allow Americans abroad to maintain bank accounts where they reside; to ensure access to low-cost savings and retirement products worldwide;

**VOTING:** Legislation is needed to clarify certain provisions of the Military and Overseas Voter Empowerment (MOVE) Act, especially by creating a “permanent status” option for qualified overseas voters. American citizens who do not meet state residency requirements should have the
right to vote in federal elections in all states and the District of Columbia at the legal voting residence of their US citizen parent(s) or guardian(s).

SOCIAL SECURITY: The requirement of having a US residence to obtain access to social security records, online application forms and guidance should be lifted.

MEDICARE: Overseas Americans who retire in America should not be financially penalized for the quarters after retirement age that they lived abroad (where they were covered by other systems and ineligible for Medicare and therefore did not contribute to it), but should be allowed to enter the system. American civilians eligible for Medicare who retire abroad must return to America to receive Medicare benefits, where medical costs are much higher. A program for civilians abroad similar to Tricare for Life for military veterans retired abroad could ultimately save money for Medicare.

CITIZENSHIP: Children born abroad should be recognized as US citizens at birth if either the US parent or a US grandparent, living or deceased, has satisfied the five-year presence requirement.

VAWA: Funding must be assured for programs protecting American women subject to domestic abuse abroad including grants under the Violence Against Women Act.

To facilitate the implementation of these measures, anticipate the need for others and efficiently review their impact, the Commission on Americans Abroad Act should be re-introduced.

Our Organizations value our ongoing collaboration with the bipartisan American Abroad Caucus and are desirous of expanding it.

Our Organizations

AARO: Association of American Resident Overseas, founded in 1973 and now in 46 countries, is a non-partisan not-for-profit public service organization representing the estimated 8.7 million United States citizens living abroad. AARO’s mission is to seek fair and equal treatment from the US government for Americans living and working abroad: to inform AARO members of issues affecting them; and to build awareness in the United States of the role played by Americans overseas. www.aaro.org

FAWCO: Federation of American Women’s Clubs Overseas, a non-partisan not-for-profit network founded in 1931, currently comprises 60 independent volunteer American and international organizations in 31 countries worldwide with a membership of around 9,000. The oldest and largest organization representing private-sector Americans abroad, it is a 501(c)(3) corporation established in the State of New York, and an approved Non-Governmental Organization with special consultative status with the Economic and Social Council of the United Nations. It has been particularly active in the fields of citizenship rights and voting from overseas. www.fawco.org

www.aaro.org  contact@aaro.org  www.fawco.org  usliaison@fawco.org