

No. 5873

**HUNGARY
and
GERMAN DEMOCRATIC REPUBLIC**

**Agreement on co-operation in the field of social policy.
Signed at Budapest, on 30 January 1960**

Official texts: Hungarian and German.

Registered by Hungary on 26 September 1961.

**HONGRIE
et
RÉPUBLIQUE DÉMOCRATIQUE ALLEMANDE**

**Accord de coopération en matière de politique sociale.
Signé à Budapest, le 30 janvier 1960**

Textes officiels hongrois et allemand.

Enregistré par la Hongrie le 26 septembre 1961.

[TRANSLATION¹ — TRADUCTION]

No. 5873. AGREEMENT² BETWEEN THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC AND THE GOVERNMENT OF THE GERMAN DEMOCRATIC REPUBLIC ON CO-OPERATION IN THE FIELD OF SOCIAL POLICY. SIGNED AT BUDAPEST, ON 30 JANUARY 1960

The Government of the Hungarian People's Republic and the Government of the German Democratic Republic, desiring to regulate their relations in matters of social policy in a spirit of friendship and co-operation between the two States, have decided to conclude an Agreement.

They have for this purpose appointed as their plenipotentiaries :

The Government of the Hungarian People's Republic :

Ödön Kisházi, Minister for Labour,

The Government of the German Democratic Republic :

Walter Heinicke, Chairman of the Committee on Labour and Wages,

who, having exchanged their full powers, found in good and due form, have agreed as follows :

CHAPTER I

BASIC PROVISIONS

Article 1

(1) The Contracting Parties agree to co-operate in all questions and all spheres of social policy. Such co-operation shall serve to promote social progress both in the two States concerned and at the international level.

(2) The competent authorities shall—

- (a) notify each other of any legislation relating to social policy, and more particularly to social insurance;
- (b) furnish each other with the statistical data necessary for the investigation of questions of social policy and for the determination of the position with regard to social insurance;

¹ With the exception of the Preamble and of the final paragraph, this text is a translation made by the International Labour Office (International Labour Office, *Legislative Series*, May-June 1961).

² Came into force on 1 May 1960, the first day of the month following the exchange of notes signifying ratification, in accordance with article 20.

- (c) arrange for exchanges of experience and reciprocal visits in connection with questions of social policy, and more particularly questions of social insurance;
- (d) promote holiday schemes for children, adolescents and employed persons.

Article 2

(1) This Agreement applies to all the benefits claimable in cash or kind under the social insurance schemes of the German Democratic Republic and the Hungarian People's Republic in the event of sickness, confinement, industrial accident, occupational disease, invalidity, old age and death, and likewise to the children's allowances provided by the State.

(2) Save as herein provided to the contrary, this Agreement does not apply to the benefits claimable by members of armed formations and the members of their families, or by persons disabled in war and their survivors.

Article 3

(1) Save as provided to the contrary in this Agreement, the nationals of one State working on the territory of the other, and the members of their families, shall, for the purposes of labour law and social insurance, and particularly for the purposes of the grant of benefits, be treated in the same way as the nationals of the latter State. They shall have the same rights and obligations as the nationals of that State. The same shall apply, *mutatis mutandis*, to the nationals of one State who are temporarily resident on the territory of the other.

(2) In cases where national legislation makes the entitlement to, and grant of, benefit conditional upon residence in the State concerned, any recognised temporary residence in the other State shall be treated as residence in the first State.

Article 4

(1) Liability to social insurance shall be governed by the legislation of the State on whose territory the relevant employment or activity for insurance purposes is carried on.

(2) Notwithstanding the rule contained in paragraph (1), the persons listed below shall be insured with the insurance carrier of the State from which they are sent and shall not receive any benefits from the insurance carrier of the State in which they are resident, other than benefits in kind provided under Article 5—

- (a) members of the diplomatic and consular missions of one State who are employed on the territory of the other State and persons working for the members of such missions, if they are nationals of the State represented;
- (b) persons employed by transport and other undertakings and institutions of one State, if they work for their undertaking or institution in the other State and are nationals of the first State.

(3) Persons who are not liable to insurance in virtue of their activity but who receive a pension shall be treated as being insured in accordance with the legislation of the State whose insurance carrier pays their pension.

CHAPTER II

SOCIAL INSURANCE BENEFITS SICKNESS AND INCAPACITY BENEFITS

Article 5

(1) Social insurance benefits in kind shall be granted in accordance with national legislation by the insurance carrier of the State on whose territory the insured person or qualifying member of his family is resident.

(2) Where the grant of benefits in kind is conditional upon a prior period of insurance or an equivalent period, the periods of insurance and equivalent periods completed on the territory of one State shall be added to those completed on the territory of the other State.

(3) Nationals of one State who are temporarily resident in the other State shall, in the event of sudden illness or other urgent circumstances, receive free of charge such benefits in kind as are absolutely necessary from the insurance carrier or competent national authority of the latter State. The cost of such benefits shall be disregarded in any settlement of accounts.

(4) Where the competent authority of one State requests the competent authority of the other State to provide benefits in kind beyond the limits laid down in paragraph (3), the cost of such benefits shall be borne by the insurance carrier of the State requesting them to be provided.

(5) The provisions of this Article shall also apply to members of armed formations and the members of their families, to persons disabled in war and their survivors, and to the persons mentioned in paragraph (2) of Article 4.

(6) Detailed rules governing the extent to which benefits are to be provided under this Article and the manner of settling accounts in respect of such benefits for the purposes of paragraph (4) shall be prescribed in a separate agreement between the competent authorities of both States.

Article 6

(1) Short-term social insurance benefits in cash shall be granted in accordance with national legislation by the insurance carrier of the State in which the insured person has his permanent residence. In assessing such benefits the insurance carrier shall also take account of any periods of insurance or equivalent periods completed on the territory of the other State.

(2) Where an insured person transfers his residence to the territory of the other State while he is entitled to short-term benefits in cash, payment of such benefits shall be discontinued on and from the date of transfer. In this case the insurance carrier of the State in which the insured person establishes his new residence shall grant the short-term benefits in cash in accordance with the legislation of its own State on and from the date of transfer, having regard to any periods of insurance or equivalent periods completed on the territory of the other State.

(3) The cost of cash benefits provided under paragraphs (1) and (2) shall be borne by the insurance carrier with which the entitlement was acquired.

Article 7

CASH BENEFITS IN RESPECT OF INDUSTRIAL ACCIDENTS AND OCCUPATIONAL DISEASES

(1) In the event of an industrial accident or occupational disease, cash benefits shall be granted in accordance with national legislation by the insurance carrier of the State on whose territory the claimant has his permanent residence. The cost of such benefits shall be borne by the insurance carrier with which the employed person was insured when entitlement to benefit was acquired.

(2) Where the employed person has been working in both States in an activity giving rise to one and the same occupational disease, the cost of the cash benefits provided in respect of the disease shall be borne by the insurance carrier of the State in which the activity was last carried on.

(3) Where the earning capacity of a person sustaining an industrial accident or contracting an occupational disease is further reduced by another such accident or disease, the cost of all cash benefits provided shall be borne by the insurance carrier of the State with which the employed person was insured at the time the change occurred.

(4) The recognition of an industrial accident or occupational disease by the insurance carrier of one State shall be binding on the insurance carrier of the other State.

PENSION BENEFITS

Article 8

(1) The assessment and payment of invalidity, old-age and survivors' pensions shall be effected in accordance with national legislation by the insurance carrier of the State in which the claimant has his permanent residence. Periods of insurance and equivalent periods completed on the territory of one State shall be added to those completed on the territory of the other State.

(2) Where a pensioner transfers his residence to the territory of the other State, payment of the pension shall be discontinued on the expiry of the month in which the transfer occurred. In this case the insurance carrier of the State to which the pensioner transfers his residence shall recognise his pension entitlement if a pension of the same kind exists in that State. The insurance carrier of the State to which the pensioner transfers his residence shall assess and pay the pension in accordance with its national legislation. A pension whose payment is conditional upon the attainment of a certain age shall be paid from the date on which the claimant attains the age prescribed in the legislation of the State to which he transfers his residence.

(3) The provisions of paragraph (2) shall also apply in cases where a person transfers his residence to the territory of the other State and is entitled to, but has not yet claimed, the payment of a pension.

(4) The cost of pensions paid in accordance with paragraphs (1) to (3) shall be borne by the insurance carriers of both States in proportion to the periods of insurance and equivalent periods.

(5) Where a pensioner becomes entitled to a higher pension, his current pension shall, on application, be reassessed. The provisions of paragraphs (1) to (4) shall apply to the settlement of accounts.

Article 9

The insurance carriers of both States may also pay special pensions (such as pensions for distinguished services) to persons entitled thereto. The cost of paying such pensions shall be borne by the State requesting payment. Detailed rules shall be laid down as necessary by the competent national authorities of the Contracting Parties.

CHAPTER III

CHILDREN'S ALLOWANCES

Article 10

(1) Children's allowances shall be assessed and paid by the competent authority of the State on whose territory the child is permanently resident, in accordance with the legislation of the said State and at the expense of the said authority.

(2) Where the legislation of the State on whose territory the child is permanently resident makes an entitlement to children's allowances conditional upon an employment relationship or other activity, such allowances shall also be payable if the employed person is a party to an employment relationship or carries on an activity on the territory of the other State.

CHAPTER IV

COMMON PROVISIONS

Article 11

(1) The provisions of this Agreement shall also apply to the nationals of one State who acquire an entitlement to insurance benefits (or complete periods of insurance) on the territory of the other State after the date of signature of this Agreement and who are permanently resident on the territory of the State whose nationality they possess.

(2) The settlement of accounts relating to cash benefits shall be effected in the same way as in the cases mentioned in Articles 6 to 8, irrespective of the nationality of the persons entitled to benefit.

Article 12

(1) Any claim or appeal may be presented to the appropriate authorities of either State. Any claim or appeal presented within the prescribed period to the appropriate authorities of either State shall be held to have been presented in due time.

(2) The competent authority of one State shall, if so requested by the competent authority of the other State or by the claimant concerned, transmit any data, evidence or documents required for the assessment of benefits under this Agreement.

(3) Correspondence arising in connection with this Agreement between the authorities of the two States or with applicants for benefit may be conducted in the official language of either State.

(4) The insurance carriers and other authorities of the two States shall communicate directly with each other in all matters relating to the application of this Agreement.

Article 13

No charges or fees shall be levied on any applications, papers or documents required for the purpose of claiming rights under this Agreement. Such applications, papers and documents shall not require to be attested or legalised.

Article 14

(1) Where, under this Agreement, the insurance carrier of one State grants cash benefits that are chargeable to the insurance carrier of the other State, it shall keep records of the sums paid in respect of each person, so that the payment of such benefits can be verified. The payments so recorded shall be collated by the competent authorities every two years, reckoned from the date of commence-

ment of this Agreement. The result of such collation shall be communicated to such authority of the other State as is designated in pursuance of Article 15.

(2) The total sums paid by the insurance carriers of one State and chargeable to the insurance carriers of the other State shall be calculated for each country every two years, on the basis of the collation effected in accordance with paragraph (1). The difference shall be paid over in accordance with the agreements on non-commercial currency transactions in force at the time between the two States. The competent national authorities of the Contracting Parties may also agree to some other arrangement for the settlement of accounts.

Article 15

As soon as this Agreement comes into force, the Contracting Parties shall notify each other of the national or other central authorities that are competent for the purposes of its application and shall inform each other forthwith of any changes that occur.

Article 16

In both States the competent authorities shall issue provisions for the application of this Agreement. Such provisions shall be communicated to the authority of the other Contracting Party mentioned in Article 15.

Article 17

If uncertainties arise in the application of this Agreement owing to unforeseen circumstances or changes in the law, or if there are any differences of opinion as to its interpretation, the competent national authorities of the Contracting Parties shall agree on the manner in which its provisions are to be applied.

Article 18

The Contracting Parties shall apply the Agreement in close co-operation with the trade unions.

CHAPTER V

TRANSITIONAL AND CONCLUDING PROVISIONS

Article 19

(1) Any periods of insurance and equivalent periods completed by an insured person on the territory of one State, even before the date of signature of this Agreement, shall be taken into account by the insurance carrier of the other

State, in accordance with this Agreement, as if they had been completed on the territory of the latter State. Any expense incurred in consequence shall be borne by the insurance carrier of the State on whose territory the person entitled to benefit was permanently resident on the date of signature of this Agreement. The same rule shall apply, *mutatis mutandis*, to periods of insurance and equivalent periods completed by an insured person on the present territory of either State before the State was founded.

(2) Where a person has already become entitled to, or is in receipt of, a pension, the insurance carrier of the State on whose territory the person is resident on the date of signature of this Agreement shall assess, or in appropriate cases, reassess, the pension in accordance with the legislation of its own State and shall pay the pension from its own funds. In so doing it shall take account, in the manner prescribed in paragraph (1), of any periods of insurance and equivalent periods completed in either State.

Article 20

(1) This Agreement shall be ratified or approved in accordance with the national legislation of the Contracting Parties and shall come into operation on the first day of the month following the exchange of notes announcing the ratification or approval.

(2) This Agreement is concluded for a period of five years. It shall continue in force for further periods of five years unless it is denounced by one of the Contracting Parties at least six months before the expiry of the current period.

(3) In the event of the denunciation of this Agreement, any benefits claimable by the date of its expiry shall continue to be granted in accordance with its provisions. The settlement of accounts in respect of such benefits shall be effected in the manner laid down in the Agreement.

This Agreement was done at Budapest on 30 January 1960, in duplicate in the Hungarian and German languages. Both texts are equally authentic.

IN WITNESS WHEREOF the plenipotentiaries have signed this Agreement and have thereto affixed their seals.

For the Government
of the Hungarian People's
Republic :
KISHÁZI Ödön

For the Government
of the German Democratic
Republic :
HEINICKE