

No. 6325

**HUNGARY
and
YUGOSLAVIA**

**Convention on the regulation of matters relating to the
social security of their nationals. Signed at Budapest,
on 7 October 1957**

Official texts: Hungarian and Serbo-Croat.

Registered by Hungary on 27 September 1962.

**HONGRIE
et
YOUGOSLAVIE**

**Convention régissant certaines questions relatives à la
sécurité sociale des nationaux des deux pays. Signée à
Budapest, le 7 octobre 1957**

Textes officiels hongrois et serbo-croate.

Enregistrée par la Hongrie le 27 septembre 1962.

[TRANSLATION — TRADUCTION]

No. 6325. CONVENTION¹ BETWEEN THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC AND THE GOVERNMENT OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA ON THE REGULATION OF MATTERS RELATING TO THE SOCIAL SECURITY OF THEIR NATIONALS. SIGNED AT BUDAPEST, ON 7 OCTOBER 1957

The Government of the Hungarian People's Republic and the Government of the Federal People's Republic of Yugoslavia have decided to provide to nationals of either country temporarily or permanently working or residing in the territory of the other country, on the basis of reciprocity and complete equality of rights, such social insurance benefits as are required for their social security. For this purpose their plenipotentiaries, having exchanged their full powers, found in good and due form, have agreed as follows :

Chapter I

BASIC PROVISIONS

Article 1

1. Under this Convention, the Contracting Parties shall reciprocally guarantee the social insurance rights of manual and non-manual workers and of persons treated as such (hereinafter called "workers"), irrespective of the Contracting Party in whose territory such persons reside and irrespective of the Contracting Party under whose legislation they are insured, in so far as relates to the acquisition, determination and maintenance of rights deriving from the following legislation :

In Hungary :

- (a) Legislation relating to sickness insurance for workers;
- (b) Legislation relating to pensions for workers under the social insurance system;
- (c) Legislation relating to children's allowances;
- (d) Legislation relating to unemployment assistance;

In Yugoslavia :

- (a) Legislation relating to social insurance for manual and non-manual workers and their dependants;

¹ Came into force on 1 July 1958, the first day of the month following the exchange of notifications which took place at Belgrade on 18 June 1958, in accordance with article 32.

- (b) Legislation relating to children's allowances;
- (c) Legislation relating to the material welfare of temporarily unemployed manual and non-manual workers.

2. This Convention shall also apply to rights deriving from legislation which amends or supplements the legislation specified in paragraph 1. If, however, such amending or supplementary legislation extends the legislation specified in paragraph 1 to new categories of workers or establishes new benefits, this Convention shall apply to the rights deriving therefrom only if the other Contracting Party makes no objection within three months from the date on which the amending or supplementary legislation is reported in accordance with article 28.

3. If either Contracting Party amends any of the legislation specified in paragraph 1 of this article by concluding a social insurance convention with a third State, this Convention shall not apply to the rights deriving therefrom unless the Contracting Parties so agree.

Article 2

Nationals of the Contracting Parties shall, save as otherwise provided in this Convention, be placed on an equal footing in respect of rights and obligations deriving from the legislation specified in article 1.

Article 3

1. Workers of the Contracting Parties shall be insured under the social insurance legislation of the Contracting Party in whose territory the worker concerned is carrying on the insurable occupation (activity).

2. The provisions of paragraph 1 shall be subject to the following exceptions :

- (a) A worker of an enterprise or employer established in the territory of one Contracting Party who is sent to work in the territory of the other Contracting Party shall continue to be insured under the legislation of the Contracting Party in whose territory the sending enterprise or employer is established;
- (b) Workers of passenger and goods transport enterprises, including workers of air transport and shipping enterprises and postal workers, and workers engaged in supervising traffic between the two countries shall be insured under the legislation of the Contracting Party in whose territory the enterprise employing them is established or the agency sending them abroad is situated.

3. Pensioners who are not insured as workers shall be insured under the legislation of the Contracting Party whose insurer is required, under this Conven-

tion, to pay the pension. If the application of this provision would result in double insurance, the pensioner shall be insured under the legislation of the Contracting Party in whose territory he is domiciled.

Article 4

1. If a national of one Contracting Party is employed in the territory of the other Contracting Party by a diplomatic or consular mission of his own State or by a head, member or other employee of such mission, he shall be insured under the legislation of the Contracting Party maintaining the mission, provided that he is not domiciled in the territory in which the mission is functioning.

2. If a worker employed by a diplomatic or consular mission or by a head, member or other employee of such mission is not a national of the Contracting Party maintaining the mission, or if he is a national of the said Party but is domiciled in the territory in which the mission is functioning, he shall be insured in accordance with the provisions of article 3, paragraph 1.

Article 5

The competent administrative authorities of the Contracting Parties may agree to apply rules other than those defined in articles 3 and 4 to the insurance of specified groups of workers or pensioners.

Article 6

1. In determining entitlement to insurance benefits and in calculating the amount of such benefits, the Contracting Parties shall take account of all insurance periods or periods equivalent thereto completed in the territory of the two Parties which, under the legislation in force in the territory concerned, must be taken into account in determining entitlement to benefits or in calculating the amount of benefits.

2. In the determination of entitlement to a benefit provided for under the legislation of only one Contracting Party, insurance periods or periods equivalent thereto shall not be combined in the manner specified in paragraph 1.

3. Where two periods correspond to the same calendar period, the period to be taken into account under the provisions of this article shall be that completed under compulsory insurance. If the claimant was not covered by compulsory insurance during the calendar period in question, the period to be taken into account shall be that completed under the legislation of the Contracting Party in whose territory he is domiciled when he files the claim; if, at that time, the claimant is domiciled in the territory of a third State, the period to be taken into account shall be that completed under the legislation of the Contracting Party under whose legislation he was last insured.

Article 7

If, under the legislation of one Contracting Party, the amount of any pension or other pecuniary benefit must be calculated on the basis of the average remuneration received during an insurance period of specified duration, the remuneration to be taken into account in determining the average remuneration shall be solely that received during insurance periods completed under the legislation of the Contracting Party whose insurer awards the pension or other pecuniary benefit.

Article 8

The award and payment of pensions or other benefits may not be restricted by an insurer of either Contracting Party under the legislation of its State except in respect of remuneration or income deriving from the territory of that State.

Article 9

1. Where the legislation of either Contracting Party makes the acquisition, maintenance or recovery of rights conditional upon residence in its territory, the insurer of each Contracting Party shall regard residence in the territory of the other Contracting Party as equivalent to residence in the territory of its own State.

2. If a person entitled to a pension or other pecuniary benefit is resident in the territory of the other Contracting Party with the consent of the insurer responsible for payment of the benefit, the provisions of paragraph 1 shall apply to such payment. The insurer's consent shall not be required if the said person is domiciled in the territory of his own State or returns thereto.

Chapter II

SICKNESS BENEFITS

Article 10

Sickness insurance benefits, including maternity and death benefits, shall be provided, at its own cost and under the legislation of its State, by the insurer with whom the insured person or his dependent acquired entitlement to such benefits.

Article 11

1. If a person entitled to receive benefits in kind from an insurer of one Contracting Party is domiciled in the territory of the other Contracting Party or resides there because he was sent there to work (article 3, paragraph 2, and

article 4, paragraph 1), the insurer competent for his place of residence shall be required to provide, under the legislation of its State and at its own cost:

- (a) General medical care;
- (b) Specialized medical care;
- (c) Medicaments.

2. Benefits in kind not enumerated in paragraph 1 shall be provided to the persons referred to therein—under the legislation applicable to, and at the cost of, the insurer specified in article 10—by the insurer competent for such persons' place of domicile or residence.

3. If a person entitled to benefits in kind is temporarily resident in the territory of the other Contracting Party, the insurer competent for his place of residence shall be required to provide him, under the provisions of paragraph 1, with such general and specialized medical care and medicaments as are necessary in order to prevent deterioration in his condition and enable him to return to his own State as soon as possible, and in case of urgent need shall also be required to provide him, under the provisions of paragraph 2, with hospital care and ambulance transport.

4. The competent administrative authorities of the Contracting Parties may agree to apply rules other than those defined in this article to the provision of specified benefits in kind.

5. The competent administrative authorities of the Contracting Parties shall determine by agreement the method of reimbursement for benefits in kind provided under this article and for those provided by one Contracting Party at the cost of the other Party.

Chapter III

BENEFITS IN RESPECT OF INDUSTRIAL ACCIDENTS AND DISEASES

Article 12

1. Benefits in respect of industrial accidents shall be provided, in accordance with the legislation applicable to it, by the insurer with whom the injured person was insured at the time of the accident.

2. Benefits in respect of industrial diseases shall be provided, in accordance with the legislation applicable to it, by the insurer with whom the person concerned was insured at the time the disease was contracted. If such person was employed in the territory of both Contracting Parties at a place (in an occupation) where he was exposed to conditions capable of causing the same industrial disease, compensation shall be paid by the insurer with whom he was last insured.

3. If a worker whose working capacity was reduced by an industrial accident occurring or an industrial disease contracted in the territory of one Contracting Party subsequently suffers further reduction of working capacity through an industrial accident occurring or an industrial disease contracted in the territory of the other Contracting Party, benefits shall be provided by the insurer of the latter Contracting Party in respect of the total reduction in working capacity. If the worker is receiving accident compensation or an invalidity pension in respect of the earlier industrial accident or disease, the insurer awarding accident compensation or an invalidity pension in respect of the total reduction in working capacity shall notify the insurer of the Contracting Party with a view to the discontinuance of the accident compensation or invalidity pension. If, under the legislation applicable to the insurer responsible for awarding benefits in respect of the more recent industrial accident or disease, no accident compensation or invalidity pension can be awarded in respect of the total reduction in working capacity, or if the amount of the accident compensation or invalidity pension payable in respect of such reduction would be less than the amount of compensation or pension already being paid, the insurer which awarded the earlier compensation or pension shall not discontinue payment thereof.

4. If a person receiving accident compensation or an invalidity pension from an insurer of one Contracting Party in respect of an industrial accident or disease suffers further reduction of working capacity although he has not suffered another industrial accident or contracted another industrial disease, the insurer paying the compensation or pension shall be required to make any necessary change in the amount thereof, even if the person concerned was, at the time of the deterioration in his condition, insured under the legislation of the other Contracting Party.

5. If a worker of one Contracting Party suffers an accident while *en route* to the territory of the other Contracting Party for the purpose of taking employment under a valid contract, such accident shall be regarded as an industrial accident for the purposes of this article, provided that the worker was travelling without interruption and by the customary route from his place of departure to his place of employment. If a worker seeking to return from his place of employment to his place of domicile immediately upon the expiry of his contract suffers an accident while *en route* in the territory of the Contracting Party in whose territory he was employed, the same provision shall apply to such accident. Benefits in respect of such industrial accident shall be provided by the insurer of the Contracting Party under whose legislation the worker intending to take employment would have been insured or under whose legislation the worker was insured before the expiry of his contract.

6. Benefits in kind provided in respect of industrial accidents or diseases shall be governed, as appropriate, by the provisions of article 11.

Chapter IV

OLD-AGE, INVALIDITY AND SURVIVOR'S PENSIONS

Article 13

1. The insurer of each Contracting Party shall rule, under its own legislation, on claims for old-age, invalidity and survivor's pensions, combining the insurance periods in accordance with article 6; if the claimant satisfies the conditions prescribed for entitlement to benefit, the insurer shall determine the amount of the pension on the basis of the periods completed in the territory of both Contracting Parties. Each insurer shall pay a share of such pension proportionate to the periods completed in the territory of its State.

2. If the claimant, even when the periods completed in the territory of both Contracting Parties are combined, satisfies only the conditions prescribed for entitlement under the legislation of one Contracting Party, the amount of the pension to be paid by the insurer of that Contracting Party shall not be less than the amount of the pension to which the claimant would be entitled if the periods completed in the territory of the other Contracting Party were not taken into account. If the claimant subsequently satisfies the conditions for entitlement under the legislation of the other Contracting Party, the amount of the pension shall be redetermined in accordance with the provisions of paragraph 1.

3. If the combined amount of the partial pension benefits to be paid by the insurers of the two Contracting Parties under the provisions of paragraph 1 is less than the minimum pension benefit provided for by the legislation of the Contracting Party in whose territory the entitled person is domiciled, such person shall be entitled to a supplementary payment equal to the amount of the difference. The supplementary payment shall be made by the insurer of the Contracting Party in whose territory the entitled person is domiciled.

4. If, under the legislation applicable to an insurer calculating the combined periods in accordance with paragraph 1, the claimant is entitled to preferential treatment on the basis of periods completed in an occupation which is injurious to health or under difficult working conditions, any periods completed in such an occupation in the territory of the other Contracting Party shall also be regarded as periods entitling the claimant to preferential treatment.

5. The provisions of paragraphs 1-4 shall not apply if :

- (a) The claimant requests that periods completed in the territory of the other Contracting Party should not be taken into account, or
- (b) The pension in question is provided for by the legislation of only one Contracting Party.

Article 14

No invalidity pension shall be paid while the entitled person is receiving pecuniary benefits in respect of sickness from the insurer of either Contracting Party.

Article 15

If a pensioner completes additional insurance periods with an insurer of either Contracting Party and requests a redetermination of his pension on the basis of the additional periods, the procedure for determination of pensions prescribed in article 13 shall be repeated.

Chapter V

CHILDREN'S ALLOWANCES

Article 16

1. Children's allowances shall be awarded and paid, under the legislation of its State and at its own cost, by the insurer of the Contracting Party in whose territory the entitled person's children are domiciled.

2. If the entitled person's children move to the territory of the other Contracting Party, the insurer competent for their new place of domicile shall pay the children's allowance, under the legislation of its State and at its own cost, from the first day of the month following the date on which the children moved.

Chapter VI

UNEMPLOYMENT ASSISTANCE

Article 17

Unemployment assistance shall be provided only during such time as the entitled person is resident in the territory of the Contracting Party in which he acquired entitlement to such assistance.

Chapter VII

GENERAL PROVISIONS

Article 18

1. Claims for benefits and petitions for legal remedy may be submitted to the competent authority of either Contracting Party. A claim or petition submitted to the competent authority of one Contracting Party shall be regarded as having been submitted simultaneously to the competent authority of the other Contracting Party.

2. Claims and petitions which have been submitted to the competent authority of one Contracting Party but are to be ruled on by the competent authority of the other Contracting Party shall be transmitted by the former authority to the latter authority, together with all available information and documents required for such ruling.

3. The competent authority of either Contracting Party shall, upon application by the competent authority of the other Contracting Party or upon petition by the claimant, transmit to the latter authority or release to the claimant any information, certificates and documents required for the purpose of ruling on claims based on this Convention or for the payment of pension benefits.

4. Written communications pursuant to this Convention between the competent authorities or between a competent authority and the persons concerned may be drawn up in any of the official languages of the Contracting Parties.

Article 19

The diplomatic and consular authorities of each Contracting Party shall be entitled to represent their own nationals and act on their behalf in all matters arising out of this Convention and relating to its application before the agencies, insurers and other authorities of the other Contracting Party, provided that the person concerned is not present and has appointed no other representative.

Article 20

In order to facilitate proceedings relating to the application of this Convention, the competent administrative authority of each Contracting Party shall designate in its territory a central agency to ensure that a ruling is duly made on claims transmitted by the competent authorities of the other Contracting Party and that information, certificates and documents required for the purpose of ruling on claims, for the provision of benefits or for the payment of pensions are procured and transmitted.

Article 21

1. Any dispute arising in connexion with the application of this Convention shall be settled by the competent administrative authorities of the Contracting Parties either by written communication or with the assistance of a committee of experts established on the basis of parity.

2. If agreement cannot be reached by the method specified in paragraph 1, the Contracting Parties shall entrust the task of settling the dispute to an arbitration tribunal set up by agreement between them. The decision of the tribunal shall be based on the principles and spirit of this Convention and shall be binding on both Contracting Parties.

Article 22

1. If it is determined that a claimant is entitled to a pension or other pecuniary benefit under this Convention but a dispute arises as to which insurer is responsible for payment or as to the measure in which each insurer is responsible for payment, such person shall be entitled to receive an advance payment until such time as the dispute is settled in accordance with article 21. The insurer of the Contracting Party in whose territory the entitled person is domiciled shall fix and remit, under the legislation of its State, an advance payment equal in amount to the benefit to which such person is entitled.

2. Advance payments made under the provisions of paragraph 1 shall be refunded to the insurer which made them by the insurer of the other Contracting Party in the measure in which the latter insurer is responsible for the payment of benefit in accordance with the decision rendered under the provisions of article 21.

3. If the amount of the advance payments was greater than the total amount which the person concerned was entitled to receive from the insurers of the two Contracting Parties, the insurers shall be entitled to deduct the excess from the benefits or partial benefits to be provided by them. The amount of such deduction shall not exceed 20 per cent of the benefit or partial benefit to be provided by the insurer concerned.

Article 23

1. The insurers and competent authorities of the Contracting Parties shall assist each other in the implementation of this Convention in the same measure as in the implementation of their own social insurance legislation.

2. Where the establishment and validation of rights under this Convention and the provision of benefits require a medical examination of an interested person residing in the territory of the other Contracting Party, proof that such person is living, or the ascertainment or clarification of other facts, the insurer competent for such person's place of residence shall, upon application by the insurer responsible for establishing such rights or providing such benefits, carry out the necessary examination or investigation or take action to obtain the information in question and transmit to the applicant insurer the results of the examination or investigation or the information obtained.

3. Upon application by the insurer of either Contracting Party, the insurer of the other Contracting Party shall act as its agent in enforcing and recovering social insurance claims which the applicant wishes to assert against individuals or bodies corporate domiciled or established in the territory of the other Contracting Party.

4. The Contracting Parties shall make no claim against each other for reimbursement in respect of acts performed or services rendered pursuant to this article.

Article 24

An insurer of either Contracting Party may authorize an insurer of the other Contracting Party to remit an advance payment of a specified amount, at the former insurer's cost, to a person residing in the territory of the latter Contracting Party who is entitled to receive a pension or other pecuniary benefit from the insurer giving such authorization.

Article 25

Applications, papers and documents submitted for the purpose of validating rights under this Convention shall be exempted from all duties and charges. They shall not require authentication by diplomatic or consular authorities.

Article 26

Transfers of funds pursuant to this Convention shall be effected in accordance with the agreements in force between the two Contracting Parties at the time of the transfer.

Article 27

1. Measures required for the application of this Convention shall be taken by the competent administrative authorities of the Contracting Parties or by such authorities as they may designate. The competent administrative authority of the other Contracting Party shall be informed of such measures.

2. Where necessary in order to ensure the uniform application of this Convention, representatives of the competent administrative authorities of the Contracting Parties shall consult together, meeting alternately in the territory of each Contracting Party.

Article 28

The Contracting Parties shall co-operate with a view to developing along socially progressive lines the social insurance which is the subject of this Convention, and for that purpose :

- (a) Their competent administrative authorities shall keep each other informed concerning their social insurance legislation;
- (b) They shall provide each other with statistical information useful in the theoretical study of social insurance phenomena;

- (c) They shall promote the exchange of experience between agencies concerned with social insurance matters.

Article 29

The competent administrative authorities of the Contracting Parties referred to in the provisions of this Convention are :

In the case of the Hungarian People's Republic : the Ministry of Labour;
In the case of the Federal People's Republic of Yugoslavia : those State Secretariats of the Federal Executive Council which are competent to apply the legislation referred to in article 1.

Chapter VIII

TRANSITIONAL AND FINAL PROVISIONS

Article 30

1. The provisions of this Convention shall also apply to pensions in respect of which a claim was acquired before the entry into force of the Convention.
2. In the application of this Convention, account shall be taken of insurance periods or periods equivalent thereto completed by entitled persons before the entry into force of the Convention.

Article 31

1. Insurance periods or periods equivalent thereto completed before 29 May 1956 shall be regarded as having been completed under the legislation of the Contracting Party in whose territory the persons claiming or entitled to a pension were domiciled on that date.

2. Pensions in respect of which claims were acquired before 29 May 1956 shall be awarded and paid, subject to the conditions and in the amount specified in the legislation applicable to it and subject to the provisions of paragraph 1, by an insurer of the Contracting Party in whose territory the entitled person was domiciled on that date. This provision shall also apply if an insurer of the other Contracting Party awarded a pension to the entitled person before the entry into force of this Convention.

3. The Contracting Parties shall make no claim against each other for reimbursement in respect of periods calculated or pensions awarded or paid under the provisions of this article.

Article 32

1. This Convention shall be submitted to the competent authorities of the two countries for ratification. The Contracting Parties shall notify each

other of such ratification. The Convention shall enter into force on the first day of the month following notification of ratification by both Contracting Parties.

2. The Convention shall remain in force for a term of one year from the date of its entry into force and, unless denounced by one of the Contracting Parties before 30 June of any calendar year, shall continue in force during the following calendar year.

3. If the Convention is denounced, its provisions shall continue in force in respect of pensions awarded before the date on which it ceases to have effect; the provisions of article 31 shall also continue in force without change.

Article 33

This Convention has been drawn up in duplicate, in the Hungarian and Serbo-Croat languages. Both copies and both texts are equally authentic.

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

DONE at Budapest, on 7 October 1957.

For the Government
of the Hungarian People's Republic :

MEKIS J.

For the Government
of the Federal People's Republic
of Yugoslavia :

Spasoje VELIMIROVICS