

AGREEMENT ON SOCIAL SECURITY BETWEEN THE GOVERNMENT OF THE STATE OF ISRAEL AND THE GOVERNMENT OF THE ORIENTAL REPUBLIC OF URUGUAY¹

The Government of the State of Israel and the Government of the oriental Republic of Uruguay, Desirous of regulating the relations of the two States in the field of social security, Have agreed as follows:

GENERAL PROVISIONS - TITLE 1

DEFINITIONS - Article 1

1. For the application of the present Agreement, the following terms and expressions will have the following meaning:

- a) “**Contracting Parties**” means the State of Israel and the Oriental Republic of Uruguay;
- b) “**Legislation**” means the Constitution, laws, decrees and regulations relative to the social security systems of the Contracting Parties specified in Article 2 of this Agreement;
- c) “**Competent Authority**” means, in relation to the State of Israel, the Ministry of Labour and Social Affairs and in relation to Uruguay, the Ministry of Labour and Social Security or the Delegate Institution;
- d) “**Competent Institution**” means the institution or body which is responsible, in each case, for the implementation of the legislation specified in Article 2 of this Agreement;
- e) “**Liaison body**” means the institution for liaison and information between the insurance institutions of the two Contracting Parties with a view to facilitate the implementation of this Agreement;
- f) “**Worker**” means any person who, as a result of being or having been employed by others, self-employed or independent worker is or has been subject to the legislation indicated in Article 2 of the present Agreement;
- g) “**Benefit**” means any payment in cash or other benefit under the legislation defined in Article 2 of this Agreement including any additional amount, increase or supplement payable in addition to that benefit under the legislation of a Contracting Party, unless otherwise specified in this Agreement;

¹. Signed in Jerusalem at: 30/3/1998

Validity from: 1/11/1999

h) “**Period of Insurance**” means a period recognized as such in the legislation under which such period has been or is deemed to have been completed, or any similar period in so far as it is recognized in the legislation as equivalent to a period of insurance;

i) “**Residing**” means, in relation to Uruguay: according to what the legislation in force establishes; and, in relation to Israel: habitual residence, which is lawfully established.

2. Other words and expressions used in this Agreement, shall have the meanings respectively assigned to them in the legislation applied.

APPLICABLE LEGISLATION - Article 2

1. This Agreement shall apply:

A) In relation to the State of Israel: to the National Insurance Law (Consolidate Version) 5755-1995, as far as it applies to the following branches of insurance:

- a) old age and survivors insurance;
- b) invalidity insurance;
- c) work injury insurance;
- d) maternity insurance;
- e) children’s insurance.

B) In relation to Uruguay, the legislation referred to contributive pensions in the Social Security systems relating to:

- a) pension schemes and beneficiary pension schemes based on the individual share and capitalization systems;
- b) Maternity insurance;
- c) Work injuries and professional sickness;
- d) children’s insurance.

2. Unless otherwise indicated in paragraph 4 of this Article, this Agreement shall also apply to future legislation, amending or complementing the legislation referred to in paragraph 1 of this Article.

3. With the entry into force of this Agreement the Competent or Delegate Authorities shall notify each other of their legislation in the field of social security. Henceforth, before the end of February each year, the competent Authorities shall notify each other of the amendments to the legislations passed during the previous calendar year.

4. This Agreement shall not apply to legislation which extends the application of the legislation specified in paragraph 1 of this Article to new groups of beneficiaries if the Competent or Delegate Authority of the Contracting Party concerned so decides and gives notice to that effect in connection with the notification referred to in paragraph 3 of this Article.

5. Unless otherwise provided, the application of this Agreement shall not be affected by any supranational legislation binding on a Contracting Party, international agreements concluded by the Contracting Parties, or such legislation of a Contracting Party that has been promulgated for the implementation of an international agreement.

PERSONS COVERED BY THIS AGREEMENT - Article 3

This Agreement shall apply to all persons who are or have been subject to the legislation of one or both of the Contracting Parties as well as to persons deriving their rights from such persons.

EQUAL TREATMENT - Article 4

The persons mentioned in Article 3 shall have equal treatment as regards rights and obligations under the legislation of a Contracting Party, as employees of that Party.

GUARDING VESTED INTERESTS AND EXPORT OF BENEFITS - Article 5 AND PAYMENT OF ALLOWANCES

Pensions and other cash benefits to be paid by one of the Parties according to Article 2, including the benefits acquired by virtue of this Agreement, shall not be reduced, modified, suspended or withdrawn on account of the beneficiary staying or residing in the territory of the other Party. These allowances can be made effective to beneficiaries residing in the territory of a third State, under the same conditions and to the same extent as the nationals of the first Contracting Party residing or present in this third State during periods of time to be agreed upon by both Contracting Parties.

PROVISIONS CONCERNING APPLICABLE LEGISLATION - TITLE 2

GENERAL RULE - Article 6

The workers object of the application of the present Agreement, will only be subject to the legislation of the Contracting Party in whose territory they work, notwithstanding the provisions in Article 7.

Special regulations or exceptions - Article 7

1. Regarding Article 6, the following special provisions and exceptions are established:

- a) If a person employed by an employer with headquarters in the territory of one of the Contracting Parties, performs professional activities such as research, scientific, technical, managerial or similar activities and is posted to the territory of the other Contracting Party to perform similar activities for a period of two years maximum, the said person shall continue to be subject to the legislation of

the Party of origin, with the possibility of an extension of such period, in special cases, upon the agreement of the Competent or Delegate Authority of the other Party.

b) Travelling employees of air transportation companies who perform activities in the territories of both Contracting Parties shall be subject to the legislation of only the Contracting Party in whose territory the company has its head office. Should such personnel reside in the territory of the other Party, they shall be subject to the legislation of such Party.

c) A person employed on board a vessel flying the flag of a Contracting Party and residing in the territory of the same Contracting Party shall be subject to the legislation of that Contracting Party provided that the employer's registered place of business is situated in the territory of that Contracting Party.

In relation to Israel, the above mentioned applies also where a vessel flies the flag of a third country, but has a crew which is paid by an undertaking having its registered place of business or by a person resident in Israel.

d) Workers, who are not part of the crew of the vessel, employed for loading unloading, ship repair and surveillance services at the port, will be subject to the legislation of the Contracting Party whose territory the port belongs to.

e) The present Agreement does not affect neither the provisions of the Vienna Convention of April 18, 1961, on Diplomatic Relations, nor the general rules of the customary international law regarding consular privileges and immunities with respect to the legislation specified in paragraph 1, Article 2.

f) Government and other public employees of one Party, otherwise than the ones referred to in paragraph e), appointed to discharge duties in the territory of the other Party, will be subject to the legislation of the Administration of the Party they belong to.

2. The Competent or Delegate Authorities of both Contracting Parties may agree to grant other exceptions in the interest of certain employees or employees categories.

PROVISIONS RELATED TO ALLOWANCES - TITLE 3

CHAPTER 1

Totalization of insurance periods - Article 8

When the legislation of a Contracting Party subjects the acquisition, conservation or recovery of the right to allowances to the compliance with set periods of insurance, the Competent Institution will take into account to that effect and whenever necessary, the periods of insurance completed for the purpose of this scheme under the legislation of the other Contracting Party in the same manner as if they had been completed under its own legislation, provided they do not overlap.

CHAPTER 2

ASSESSMENT OF THE RIGHT TO ALLOWANCES AND THEIR - Article 9 PAYMENT

The insured person who has continuously or successively been subject to the legislation of one or the other Contracting Party will have a right to the allowances regulated in this Chapter under the following conditions:

1. The Competent Institution of one of the Parties will determine the right and will estimate the allowance taking into account only the periods of insurance credited by that Party.
2. Furthermore, the competent Institution will determine the right to allowances adding the period of insurance completed under the legislation of the other Party with its own. When the totalization is completed the right to the benefit is reached; the following rules will be applied to estimate the amount to be paid:
 - a) The amount of the benefit to which the beneficiary would have been entitled will be determined as if all periods of insurance totalized had been completed under its own legislation (theoretical pension).
 - b) The amount of the benefit will be set by applying to the theoretical pension, estimated according to its legislation, the same existing ratio between the period of insurance completed in one Party and the total duration of the periods of insurance completed in both Parties (pro rata based pension).

CALCULATION OF INSURANCE PERIODS IN SPECIAL OR - Article 10 IMPROVED REGIMES

If the legislation of one of the Parties conditions the entitlement to certain benefits to the completion of insurance periods in an activity under a special or improved regime, in a special activity or employment, the periods completed under the legislation of the other Party, will only be taken into account, for the determination of the entitlement to certain allowances or benefits if they have been credited under the provisions of a regime of a similar nature, and lacking one, in the same activity, or, if the case may be, in a task of a similar nature.

If, having taken into account the periods of insurance completed in the aforesaid manner the person still doesn't meet the requirements needed to be entitled to a benefit under a special or Improved Regime, these periods will be acceptable for the calculation of benefits under the General Regime or those of a different special or Improved regime that the person can be entitled to.

INVALIDITY, OLD AGE AND SURVIVORS PENSIONS - Article 11

The right to allowances for old age, invalidity and survival will be determined in compliance with the legislation of the Contracting Party of which the beneficiary is subject to at the moment of the occurrence of the contingency.

SUBSIDY IN CASE OF DEATH RECOGNITION OF - Article 12 ENTITLEMENT TO THE SUBSIDY

The subsidy in case of death shall be granted by the Competent Institution whose legislation is applicable to the insured person at the moment of death.

DETERMINATION OF INVALIDITY - Article 13

1. The determination of the reduction of the working capacity for the purpose of granting the corresponding invalidity benefits will be undertaken by the Competent Institution of each of the Contracting Parties who will conduct its own assessment according to its own legislation.
2. Pursuant to the previous paragraph, the Competent Institution of the Contracting Party where the insured person resides will provide the Institution of the other Party, when asked to do so and free of charge, the medical reports and related documents available.
3. Expenses due to additional or complementary medical tests and tests conducted to determine the working capacity and related expenses will be met by the Competent Institution requesting the tests.

CHAPTER 3

APPLICATION OF THE URUGUAYAN LEGISLATION - Article 14

1. Insured persons affiliated to private Fund Administrative Agencies (A.F.A.Ps.) will finance in the Oriental Republic of Uruguay their benefits with the amount accumulated in their personal capitalization accounts.
2. The benefits granted through the capitalization regime will be added to the benefits granted by the solidarity regime when the insured person meets the requirements established by the legislation in force, applying should the case require it - the totalization of insurance periods.

CHAPTER 4 - APPLICATION OF ISRAEL LAW

OLD AGE AND SURVIVORS BENEFITS - Article 15

1. Where a national of a Contracting Party or a person designated in Article 3 of the Agreement has been insured in Israel for at least twelve consecutive months but does not have sufficient Israeli periods of insurance for entitlement to an old age or survivors pension, periods of insurance completed under the legislation of Uruguay shall be taken into account as far as they do not coincide with Israeli periods of insurance. No account shall be taken of any insurance period completed under the legislation of Uruguay before 1 April, 1954.
2. If the beneficiary or his survivor qualifies for the benefit when periods of insurance completed under the legislation of both Contracting Parties are added together, the Israeli competent insurance institution shall determine the benefit according to Article 9.
3. The right to an old age pension shall be conditional on the beneficiary having been a resident of Israel or Uruguay immediately before attaining the age entitling him to an old age pension.
4. The right to a survivors pension shall be conditional in the beneficiary and the deceased having been residents of Israel or of Uruguay at the time of the death, or the deceased having received an old age pension immediately before his death.
5. Vocational training and subsistence allowance for widows and orphans are payable to persons designated in paragraph 1 only if they reside in Israel and for as long as they are actually present in Israel.
6. A funeral grant shall not be payable in respect of a person who died outside Israel and was not a resident of Israel on the day of his death.

INVALIDITY BENEFITS - Article 16

1. A person covered by this Agreement shall be entitled to an invalidity benefit if he has been insured as a resident in Israel for at least twelve consecutive months immediately prior to becoming an invalid.
2. Special services for invalids, subsistence allowances for invalid children of an insured person, professional rehabilitation for an invalid person, vocational training and a subsistence allowance for his spouse are granted to such a person as mentioned above provided he is resident in Israel and for as long as he is actually present in Israel.
3. A person covered by this Agreement who resides outside Israel and is entitled to an Israeli invalidity pension shall continue to receive the pension that he was awarded even if there is an increase in the degree of his invalidity, as a result of an aggravation of his invalidity or the addition of a further cause of invalidity which emerged when the person was out of Israel.

OCCUPATIONAL DISEASES AND EMPLOYMENT ACCIDENTS - Article 17

The right to benefits due to an accident at work shall be determined according to the legislation applying to the beneficiary at the time of the accident, as provided in Articles 6 and 7.

Article 18

1. When a person who has contracted an occupational disease has, under the legislation of both Contracting Parties, pursued an activity likely to cause this disease, the benefits that he or his survivors may claim shall be awarded exclusively under the legislation of the Party where the person was last contracted.

2. However, if there is no entitlement to benefits under the legislation of the Party where the person was last contracted, the claim shall be referred by the institution of that Party to the institution of the first Contracting Party, which shall decide the claim under the terms of its legislation.

HOSPITALIZATION BENEFITS - Article 19

A woman who is insured for hospitalization in case of childbirth according to the legislation of one Contracting Party shall, when temporarily staying in the territory of the other Contracting Party, receive the corresponding benefit according to the legislation of that Party, without need of reimbursement of the expenses.

MISCELLANEOUS, TRANSITORY AND FINAL - TITLE IV PROVISIONS

CHAPTER 1 - Miscellaneous provisions

PENSION UPDATING - Article 20

Pension granted pursuant to the provisions of Title III of this Agreement, will be updated with the same periodicity and in identical amounts as pensions granted under internal legislation. In the case of pensions whose amount has been determined by the formula pro rata temporis provided in paragraph 2 of Article 9, the amount updated may be determined through the application of the same proportional formula used to establish the amount of the pension.

ADMINISTRATIVE COOPERATION - Article 21

In order to enforce this Agreement, the Competent Authorities, the Competent Institutions and the Liaison bodies of both Parties will be able to request, at any time, medical assessments, attesting of facts and data relevant to the acquisition,

modification, suspension, reduction, extinction, suppression or maintenance of the entitlement to benefits granted by them. Expenses originated as a consequence of such requests will be restituted without delay by the Competent Institution that requested the recognition or the attestants, once the detailed bills are received.

PROTECTION OF INFORMATION - Article 22

All information concerning the private domain of individuals transmitted from one Contracting Party to the other will be confidential and used solely to determine the granting of benefits under this Agreement.

DUTIES, LEVIES AND EXEMPTIONS FROM REGISTRATION - Article 23 REQUIREMENTS LEGISLATION

1. The exemptions from registration duties, notarial levies, stamping and consular fees and other similar duty exemptions provided by the legislation of both Contracting Parties will be extended to the certificates and documents issued by the Competent Institutions.

2. All administrative actions and documents issued in relation to the application of the present agreement will be exempted from legislation requirements and other similar formalities for their use by the competent Institutions of the other Party.

PRESENTATION OF DOCUMENTS - Article 24

1. The claims, notifications and appeals and other documents that, in order to comply with the legislation of one of the Parties, must be presented within a set time limit to the Authorities or the Competent Institutions of that Party, will be taken as having been presented within the same period to the Authority or competent Organization of the other Party.

2. Submission of claims under the legislation of one of the Parties, will also be considered to be a submission for a similar claim under the laws of the other Party.

METHODS AND GUARANTEE OF PAYMENTS - Article 25

1. The Competent Institutions of each Party will have effected payments made under this Agreement when this is made in the currency of its country and on the date and way determined by each Contracting Party.

2. If provisions designed to restrict currencies are introduced by either Contracting Party, both contracting Parties will immediately adopt the measures necessary to guarantee the rights derived from this Agreement.

LANGUAGE - Article 26

The Competent or Delegate Authorities and the Institutions of the Contracting Parties may use the English language for the application of this Agreement.

SETTLEMENT OF DISPUTES - Article 27

1. The Competent or Delegate Authorities should settle disputes in terms of interpretation of the present Agreement and its Administrative Agreement by means of negotiations.

2. If a dispute cannot be solved by means of negotiations within a period of six months from the first request of negotiation, this should be submitted to an Arbitration committee, whose integration and procedure shall be determined in common by the Contracting Parties. The decision adopted by the Arbitration Committee shall be considered compulsory and definitive.

AUTHORITY OF THE COMPETENT OR DELEGATE - Article 28 AUTHORITIES

1. The Competent or Delegate Authorities of the two Contracting Parties shall:

- a) Establish the Administrative Agreement that is necessary for the application of the present Agreement.
- b) Notify one another of the measures adopted internally to implement the Agreement.
- c) Notify all legislative and regulatory provisions that modify those mentioned in Article 2.
- d) Cooperate with each other and provide each other with the best technical and administrative assistance possible.

CHAPTER 2 - Transitional provisions

PERIODS OF TIME PRECEDING ITS ENTRY INTO FORCE - Article 29

The periods of insurance completed in accordance with the legislation of each one of the Parties before the entry into force of the present agreement, shall be taken into account to determine the right to benefits that apply in the case of such Agreement.

CONTINGENCIES OCCURRED BEFORE THE ENTRY INTO - Article 30 FORCE OF THIS AGREEMENT

1. The implementation of this Agreement shall confer rights to benefits in case of contingencies occurred before its date of entry into force. However, the payment of such benefits shall not take place for periods before the entry into force of the Agreement.
2. Benefits paid by one or both Parties or the rights to benefits that had been denied before the entry into force of the Agreement, shall be determined upon request by the beneficiary or by the competent institution, and in compliance with the provisions of this Agreement, only if the request is submitted within a period of two years from the entry into force of the Agreement. The right shall have effect from the date of application, unless there is a more favorable provision in the legislation of that Party. Any benefits having been awarded as a lump-sum payment shall not be reviewed.
3. The provisions regarding delay, prescription and lapse in force in each one of the Contracting Parties may apply to the rights mentioned in this Article, only if the beneficiaries submit their applications after the two years following the date of entry into force of this Agreement, except where a more favorable provision in the legislation of any of the Contracting Parties applies. The amount of the resulting benefit according to this new calculation cannot be inferior to that of the original benefit.

CHAPTER 3 - Final provisions

VALIDITY OF THE AGREEMENT - Article 31

1. The present Agreement shall remain in force for an indefinite period, unless denounced by one of the Parties, in which case the denunciation shall enter into force six months after the date of its notification to the other Contracting Party. The Administrative Agreement shall regulate the way and conditions for such notification.
2. In case this Agreement is terminated by denunciation or common agreement, the provisions of the present Agreement shall be applicable to the rights acquired under such Agreement, notwithstanding the restrictive provisions that the other Party may foresee in cases such as a beneficiary residing.
3. The Contracting Parties shall agree upon the provisions that guarantee the rights in the process of being acquired resulting from periods of insurance or equivalent periods, completed before the termination date of the Agreement.

SIGNATURE AND APPROVAL - Article 32

The present Agreement shall be approved in accordance with the legislation of each one of the Contracting Parties.

Each Party shall notify the other that all the internal requirements have been met for the entry into force of the Agreement.

The present Agreement shall enter into force on the first day of the month following the date of the last notification of the Contracting Parties of this Agreement.

Done at Jerusalem on the 30th day of March, 1998 which corresponds to the 3rd day of Nissan 5758, in two original copies in the Hebrew, Spanish and English languages, each text being equally authentic. In case of differences in interpretation, the English text will prevail.

For the Government of
The Oriental Republic
Of Uruguay

For the Government of
the State of Israel