

AGREEMENT BETWEEN THE STATE OF ISRAEL AND THE REPUBLIC OF FINLAND ON SOCIAL SECURITY¹

The Government of the State of Israel and the Government of the Republic of Finland Being desirous of regulating the relationship between the two States in the field of social security have agreed as follows:

PART I - General provisions

Article 1 - Definitions

1. For the purpose of this Agreement:

- a) “**Contracting Parties**” means the Republic of Finland and the State of Israel;
- b) “**legislation**” means the 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 Finland: The Ministry of Social Affairs and Health; and in relation to Israel: the Minister of Labour and Social Affairs;
- d) “**Institution**” means the authority or institution responsible for implementing the legislation specified in Article 2 of the Agreement;
- e) “competent institution” means the institution which is responsible for providing benefits under the applicable legislation;
- f) “**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;
- g) “**Period of insurance**” means a period of employment or self-employment, of contributions or residence, as defined or recognized as a period of insurance 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 of a Contracting Party as equivalent to a period of insurance;
- h) “**Residing**” means, in relation to Finland: that the person is permanently resident and has his or her home in Finland and that he or she mainly stays in

¹. Signed in Jerusalem at: 15/9/1997

Validity from: 1/9/1999

Finland and, in relation to Israel: habitual residence, which is lawfully established;

i) “**Family member**” means, in relation to Finland: spouse and any child under 18 years of age as well as children under 25 years of age who are full-time students or students participating in vocational training; and, in relation to Israel: the concept of “family member” is determined according to the provisions of the Israeli applicable legislation.

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

Article 2 - Applicable legislation

1. This Agreement shall apply to the legislation governing:

A. In relation to Finland:

- a) sickness insurance as to parents benefits, and as to other sickness benefits and public health care services only with respect to Article 6, paragraph 2 and Articles 7-10;
- b) the National pension Scheme and the Employment pension Scheme;
- c) employment accident insurance and occupational diseases insurance;
- d) child allowances and maternity grants;
- e) employer’s social security contributions.

B. In relation to Israel: the National Insurance Law (Consolidated version 5755-1995 as far as it applies to the following branches of insurance:

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

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

3. With the entry into force of this Agreement the competent authorities shall notify each other of their legislation in the fields of social security referred to in paragraph 1. Henceforth, before the end of February of each year the competent authorities shall notify each other of the amendments to the legislation passed during the previous calendar year.

4. This Agreement shall not apply to legislation which extends to application of the legislation specified in paragraph 1 of this Article to new groups of beneficiaries if the competent authority of the Contracting Party concerned so

decides and gives notice to that effect in connection with the annual notification referred to in paragraph 3 of this Article.

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

Article 3 - Persons covered by this Agreement

Unless otherwise provided, this Agreement shall apply to all persons who are or have been subject to the legislation referred to in Article 2 of this Agreement, as well as to family members and survivors of such persons.

Article 4 - Equal treatment

Unless otherwise provided in this Agreement, the following persons, while residing in the territory of a Contracting Party, shall have the same rights and obligations under the legislation of a Contracting Party as nationals of that Contracting Party.

- a) nationals of the other Contracting Party;
- b) refugees, as referred to in the Convention relating to the Status of Refugees of 28 July 1951 and the protocol of 31 January 1967 to that Convention;
- c) stateless persons, as referred to in the Convention relating to the Status of Stateless persons of 28 September 1954;
- d) family members and survivors of the persons mentioned under subparagraphs a) - c) with regard to rights which they derive from such persons.

Article 5 - Export of benefits

1. Unless otherwise provided in this Agreement, pensions and other cash benefits shall not be reduced, modified, suspended or withdrawn because the person resides in the territory of the other Contracting Party.
2. The provision of paragraph 1 of this Article shall not apply to Finnish unemployment pensions, part-time pensions or pensioners' housing allowances;

PART II - Provisions on applicable Legislation

Article 6 - Main rules

1. Unless otherwise provided in this Agreement, a person covered by this Agreement shall be subject to the legislation of the Contracting Party in whose territory he or she resides or, as regards insurance branches specified in Article 2,

paragraph 1 which do not depend on residence, to the legislation of the Contracting Party in whose territory he or she is employed or selfemployed.

2. Civil servants and persons treated as such and persons employed by a public institution of a Contracting Party shall be subject to the legislation of the Contracting Party in whose administration they are employed provided that the person concerned prior to the employment is subject to the legislation of that Contracting Party.

Article 7 - Exception

1. A person who

a) is employed by an employer whose registered place of business in the territory of a Contracting Party,

b) is covered under the legislation of that Contracting Party, and

c) is sent to work in the territory of the other Contracting Party for the same employer or a related employer for a period not exceeding three years;

shall continue to be subject to the legislation of the former Contracting Party as if he or she would continue to be resident and employed in the territory of that Contracting Party.

2. The travelling personnel of a transport undertaking operating in the territories of both Contracting Parties shall be subject to the legislation of the Contracting Party in whose territory the undertaking has its registered place of business.

3. 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.

Article 8 - Exceptions to Articles 6 and 7

The competent authorities or the bodies authorized by them may agree on exceptions from the provisions of Articles 6 and 7 in the interest of certain persons or categories of persons.

Article 9 - Application of Articles 6 - 8 to family members

1. The family members accompanying the employee referred to in Article 7, paragraph 1 and living with him or her, are subject to the legislation of the same Contracting Party as the employee.

2. The family members accompanying the person meant in Article, 6 paragraph 2 and living with him or her, are subject to the legislation of the same Contracting Party as the person referred to above.

3. When agreeing on the exceptions under Article 8 from the provisions of Articles 6 and 7, the persons accompanying the employee and living, with him or her are subject to the legislation of the same Contracting Party in regard to which the exception has been agreed on.

4. The provisions of paragraphs, 1,2 and 3 shall not apply, if the family member on the basis of his or her own employment is subject to the legislation of the other Contracting Party.

Article 10 - Insurance contributions

The insurance contributions concerning a person covered by this Agreement shall be payable according to the legislation of the Contracting Party to which he or she is subject according to this Agreement.

PART 3 - Special provisions concerning the various categories of benefits - Parent's benefits

Article 11

Taking into account periods of insurance

1. If a person has completed periods of insurance amounting to at least eight weeks under the legislation of a Contracting Party, periods of insurance previously completed under the legislation of the other Contracting Party shall, if necessary, be taken into account for the establishment of that person's entitlement to a benefit as of these periods had been completed under the legislation of the first Contracting Party.

2. When calculating the benefit in accordance with paragraph 1, only income accrued in the territory of the Contracting Party which pays the benefit shall be taken into account.

Article 12

Maternity grant shall be payable according to the legislation of the Contracting Party subject to whose legislation the mother is at the time of the confinement or subject to legislation the adoptive parent is at the time of the adoption.

Old age, invalidity and survivors' pensions

Article 13 - Granting of pensions

Unless otherwise provided in this Agreement, when granting pensions on the basis of this Agreement the competent institutions of the Contracting Parties shall apply their respective legislations.

Article 14 - Entitlement to Finnish national pensions

1. Notwithstanding the provisions of Article 4 and Article 5, paragraph 1 of this Agreement, entitlement to benefits under the legislation concerning national pensions and general survivors' pensions shall be determined according to this Article.
2. A national of a Contracting Party residing in the territory of a Contracting Party shall be entitled to receive an old age pension, if she or he has been resident in Finland for a consecutive period of at least three years after having reached the age of 16 years.
3. A national of a Contracting Party residing the territory of a Contracting Party shall be entitled to receive a widow's or widower's pension, if she or he and the deceased had been resident in Finland for a consecutive period, of at least three years after having reached the age of 16 years and the deceased was a national of a Contracting Party and resided in the territory of a Contracting Party at the time of death.
4. A national of a Contracting Party residing in the territory of a Contracting Party shall be entitled to receive an orphan's pension, if the deceased was a national of a Contracting Party, who had been resident in Finland for a consecutive period of at least three years after having reached the age of 16 years and resided in the territory of a Contracting Party at the time of death.
5. The amount of the pensions payable under paragraphs 2 and 3 shall be proportional to the number of years of residence in Finland.

Article 15 - Calculation of Finnish national pensions

1. Notwithstanding the provisions of Article 13 of this Agreement, the amount of the pensions payable under Article 14 shall be calculated according to this Article.
2. Where a Finnish pension is payable only by virtue of this Agreement, the amount of that pension shall be determined by taking into account any Israel pension income of that person.

Article 16 - Special provisions applicable to the Finnish Employment pension Scheme on old age, invalidity and survivors' pensions.

Notwithstanding the provisions of Article 4 and Article 5, paragraph 1 of this Agreement the Finnish employment pension including old age, invalidity and survivors' pensions, shall not be paid to a beneficiary residing in the territory of Israel unless the employee or the self-employed person has been subject to the Finnish Employment pension Scheme for at least twelve consecutive months.

Application of Israeli Legislation

Article 17 - Old age and survivors benefits

1. Where a national of a Contracting Party or a person designated in article 4 b) d) 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 survivor's pension, periods of insurance completed under the legislation of Finland 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 Finland 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 benefits as follows:
 - a) The Israeli benefit which is payable to a person who has completed the qualifying periods of insurance according to Israeli legislation shall be taken into account as a theoretical sum.
 - b) On the basis of the above theoretical sum the insurance institution shall calculate the partial benefit payable according to the ratio between the length of Israeli periods of insurance which the person has completed under the legislation of Israel and the total of all insurance periods completed by him under the legislation of both Contracting Parties.
3. The right to an old age pension shall be conditional on the beneficiary having been a resident of Israel or Finland immediately before attaining the age entitling him to an old age pension.
4. The right to a survivor's pension shall be conditional on the beneficiary and the deceased having been residents of Israel or of Finland 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. 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.

Article 18 - Invalidity benefits

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 handicapped, subsistence allowances for handicapped children of an insured person, professional rehabilitation for a handicapped person, vocational training and a subsistence allowance for his spouse are payable 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 this invalidity or the addition of a further cause of invalidity arising abroad.

Occupational diseases and employment accidents

Article 19

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 6-8.

Article 20

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 last of these Contracting Parties.
2. However, if there is no entitlement to benefits under the legislation of the last Contracting Party, 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.

Article 21

If the legislation of a Contracting Party explicitly or implicitly provides that previous employment accidents or occupational diseases are taken to consideration when determining the degree of invalidity, the competent institution of that Contracting Party shall also take into consideration the previous employment accidents or occupational

diseases sustained while under the legislation of the other Contracting Party, as if the legislation of the first Contracting Party had been applicable.

Article 22

In the case of aggravation of an occupational disease for which a person has received or is receiving benefit under the legislation of a Contracting Party , the following rules shall apply:

- a) if the person concerned has not, while in receipt of benefits, been engaged in an occupation under the legislation of the other Contracting Party likely to cause or aggravate the disease in question, the competent institution of the first Contracting Party shall meet the cost of the benefits under the provisions of the legislation which it administers taking into account the aggravation;
- b) if the person concerned, while in receipt of benefits, has pursued such an activity under the legislation of the other Contracting Party, the competent institution of the first Contracting Party shall meet the cost of the benefits under the legislation which it administers without taking the aggravation into account. The competent institution of the second Contracting Party shall grant a supplement to the person concerned, the amount of which shall be equal to the difference between the amount of benefits due after aggravation and the amount which would have been due prior to the aggravation under the legislation which it administers if the disease in question had occurred under the legislation of that Contracting Party.

Article 23

1. When a person, who is insured under the legislation of a Contracting Party, needs necessary medical care as a consequence of an employment accident or occupational disease occurring in the territory of the other Contracting Party, such care shall be provided by the institution of that Contracting Party.
2. The cost of the necessary care provided in accordance with paragraph 1 shall be borne by the insurance institution providing it.

Children's allowances

Article 24 - Payment of benefits

1. Child allowances shall be payable according to the legislation of the Contracting Party subject to whose legislation the child is on the first day of the month.
2. If the benefit meant in paragraph 1 due to the application of this Agreement or a Contracting Party's legislation would not be paid from either country, or if it

would be paid from both countries, it shall be payable only under the legislation of the Contracting Party where the child de facto resides.

Part IV - Miscellaneous provisions

Article 25 - Administrative Arrangement and exchange of information

The competent authorities shall:

- a) agree on the procedure for the implementation of this Agreement by means of an Administrative Arrangement;
- b) exchange information concerning measures taken for the application this Agreement;
- c) exchange information concerning all changes in their respective legislations which may affect the application of this Agreement; and
- d) designate liaison bodies to facilitate and accelerate the implementation of this Agreement.

Article 26 - Invalidity benefits

1. The competent authorities and institutions of the Contracting Parties shall assist each other in implementing this Agreement as if they were enforcing their own laws. This administrative assistance shall be free of charge, unless the competent authorities otherwise agree on reimbursement of certain costs.
2. The authorities and institutions of the Contracting Parties may communicate directly with each other and with the persons concerned or with their representatives. In such communication use shall be made of the English language.

Article 27 - Data protection

Any data pertaining to private persons which in the course of the application of this Agreement are transmitted by one Contracting Party to the other shall be confidential and used exclusively for determining the entitlement to benefits under this Agreement which are specified in the request for information or related to them.

Article 28 - Exemption from taxes, charges and authentication

1. Where the legislation of a Contracting Party provides that any claim document is exempt, wholly or partly, from taxes, stamp duties fees for court proceedings or registration fees, as far as the application of the legislation of that Contracting Party is concerned, the exemption shall be extended to apply also to claims and

documents which are submitted under the legislation of the other Contracting Party or this Agreement.

2. Documents and certificates which are presented for purposes of this Agreement shall be exempt from authentication by diplomatic or consular authorities.

Article 29 - Submission of claims

1. Claims, notifications and appeals submitted to the competent institution of one Contracting Party shall be deemed to have been submitted to the competent institution of the other Contracting Party on the same date.

2. A claim for a benefit payable under the legislation of one Contracting Party shall be deemed to be a claim for the corresponding benefit payable under the legislation of the other Contracting Party, provided that the person concerned, within six months from submitting an application from under the legislation of the former Contracting Party, submits a claim for a corresponding benefit under the legislation of the latter Contracting Party.

3. Where, under the legislation of a Contracting Party, an additional amount is payable because of delay in processing a claim for a pension or other benefit, the claim shall, for purposes of applying the provisions of the legislation concerning such an additional amount, be deemed to have been presented on the date when that claim, along with all necessary enclosures, has been received by the competent institution of that Contracting Party.

Article 30 - Enforcement of decisions

1. Enforceable decisions by a tribunal of one Contracting Party, as well as enforceable documents issued by the authority or institution of one Contracting Party in respect of social insurance contributions and other claims, shall be recognized in the territory of the other Contracting Party.

2. The recognition may be refused only where it would be incompatible with the legal principles of the Contracting Party where the recognition is sought.

3. Enforceable decisions and documents recognized under paragraph 1 of this Article shall be enforced in the territory of the other Contracting Party. The enforcement procedure shall be in compliance with the legislation of the Contracting Party where it takes place, in so far as such legislation governs the enforcement of such decisions and documents in the territory of that Contracting Party. The decision or document shall be accompanied by a certificate indicating its enforceability.

4. Overdue insurance contributions to the institution of the other Contracting Party shall in any enforcement procedure and bankruptcy procedure or enforced settlement in the territory of a Contracting Party have the same precedence as equivalent claims in the territory of that Contracting Party.

Article 31 - Claims for recovery

1. If the institution of a Contracting Party has paid a beneficiary a sum exceeding the entitlement of that beneficiary, the institution may within the scope and terms of the applicable legislation request the institution of the other Contracting Party to withhold a sum equivalent to the sum paid in excess from any sum payable by the latter institution to the beneficiary. The withholding by that institution shall be in compliance with the scope and terms of the applicable legislation as if reclaiming an excess sum paid by that institution itself. The institution shall transmit the sum it has withheld to the requesting institution.
2. If the institution of a Contracting Party has made advance payments for a period during which the beneficiary was entitled to benefits under the legislation of the other Contracting Party, this institution may request the institution of that other Contracting Party to withhold a sum equivalent to that advance from benefits payable by that institution to the beneficiary for the same period. The withholding by that institution shall be in compliance with the scope and terms of the applicable laws, and the sum withheld shall be transmitted to the requesting institution.
3. If social assistance has been paid in the territory of a Contracting Party to a beneficiary who for that same period is entitled to benefits under the legislation of the other Contracting Party, the institution which has provided the social assistance may, if entitled to claim recovery of payments, request the institution of the other Contracting Party to withhold a sum equivalent to the social assistance costs for the same period from the sum payable to that person. The withholding by that institution shall be in compliance with the scope and terms of the applicable legislation, and the sum withheld shall be transmitted to the requesting institution.

Article 32 - Languages used in the application

The competent authorities and institutions of the Contracting Parties may in the application of this Agreement use the official languages of the Contracting Parties or the English language, as specified in the Administrative Arrangement referred to in subparagraph a) of Article 25.

Article 33 - Currency and method of payment

1. Payment of any benefit in accordance with this Agreement may be made in the currency of the Contracting Party whose competent institution makes the payment.
2. If provisions designed to restrict the exchange or exportation of currencies are introduced by either Contracting Party, the Governments of both Contracting Parties shall immediately take measures necessary to insure the transfer of sums payable under this Agreement.

3. Where a person in the territory of one Contracting Party is receiving benefit under the legislation of the other Contracting Party, it shall be payable by whatever method the competent institution of the latter Contracting Party deems appropriate.

Article 34 - Settlement of disputes

1. Any dispute arising between the two Contracting Parties regarding the interpretation or application of this Agreement shall be settled by consultation between the competent authorities.

2. If no agreement is reached under paragraph 1 of this Article, a Contracting Party may submit the dispute to arbitration by a court of arbitration whose composition and procedure shall be agreed upon by the Contracting Parties. The decisions of the court of arbitration shall be binding and final.

Part V - Transitional and final provisions

Article 35 - Application of this Agreement to periods of time preceding its entry into force

1. This Agreement shall not confer any rights to receive a payment of a benefit for any period before the date of entry into force of this Agreement.

2. When determining the right to benefits under this Agreement, any period of insurance completed before the entry into force of this Agreement shall be taken into account.

3. This Agreement may be applied even to contingencies that occurred before the entry into force of this Agreement.

4. Benefits granted before the entry into force of this Agreement may upon application by the beneficiary be determined to comply with the provisions of this Agreement. Such a re-determination shall not result in any reduction in the amount of a benefit.

5. Any benefit which has not been awarded or which has been suspended by reason of the nationality of the person concerned or his residence in the territory of the other Contracting Party shall, on the application of that person, be awarded or resumed in accordance with this Agreement with effect from the date of entry into force of this Agreement, provided that the rights previously determined have not given rise to a lump-sum payment.

6. If the application referred to in paragraph 4 and 5 of this Article is submitted within two years from the date of entry into force of this Agreement, the rights acquired under this Agreement shall have effect from that date. If the application referred to in paragraph 4 and 5 of this Article is submitted after the expiry of the two years period following the date of entry into force of this Agreement, rights

which have not been forfeited or are not barred by limitation shall have effect from the date on which the application was submitted, except where more favorable provisions of the legislation of any of the Contracting Parties apply.

Article 36 - Validity and denunciation of the Agreement

1. This Agreement shall remain in force for an indefinite period.
2. Either Contracting Party may at any time denounce this Agreement. Such denunciation shall enter into force six months after the date of its notification to the other Contracting Party through the diplomatic channels.
3. If this Agreement is terminated, any right to benefits acquired in accordance with this Agreement shall be maintained.

Article 37 - Entry into force

This Agreement shall enter into force on the first day of the second month following the month in which the Contracting Parties have notified each other through the diplomatic channels that they have complied with all constitutional requirements for the entry into force of this Agreement.

In witness whereof the undersigned, being duly authorized thereto, have signed the present Agreement.

Done at Jerusalem on 15th September 1997 which corresponds to 13th of Elul, 5757, in two original alternates in the Finnish, Hebrew and English languages, each text being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the Government of
The Republic of Finland

For the Government of
the State of Israel