

N° 1199.

---

**AUTRICHE  
ET TCHÉCOSLOVAQUIE**

Arrangement concernant les créances mutuelles dérivant des règlements de comptes entre les organes d'assurance-retraite, avec annexe, signé à Prague, le 12 juillet 1924.

---

**AUSTRIA  
AND CZECHOSLOVAKIA**

Agreement concerning Mutual Claims resulting from the Settlement of Accounts between Pension-Insurance Organisations, with Annex, signed at Prague, July 12, 1924.

## TEXTE ALLEMAND. — GERMAN TEXT.

No. 1199. — ÜBEREINKOMMEN<sup>1</sup> ZWISCHEN DER REPUBLIK ÖSTERREICH UND DER TSCHECHOSLOVAKISCHEN REPUBLIK, BETREFFEND GEGENSEITIGE FORDERUNGEN AUS ABRECHNUNGEN DER TRÄGER DER PENSIONSVERSICHERUNG, GEZEICHNET IN PRAGAM 12. JULI 1924.

*Official text in German and in Czechoslovak communicated by the Permanent Delegate of the Czechoslovak Republic accredited to the League of Nations. The registration of this Agreement took place June 9, 1926.*

Von dem Wunsche beseelt, im Sinne des Artikels 45 des Übereinkommens<sup>2</sup> vom 18. Juni 1924, betreffend die Regelung der in österreichisch-ungarischen Kronen entstandenen Verbindlichkeiten, ein besonderes Übereinkommen über die gegenseitigen Forderungen aus der Pensionsversicherung bezüglich jener Träger der Pensionsversicherung zu schliessen, die vor der Gebietsregelung auf Grund des Artikels 27 des Staatsvertrages von Saint-Germain sowohl in der Republik Österreich als auch in der Tschechoslovakischen Republik Versicherte hatten, aber nicht nach den Bestimmungen des Artikels 275 dieses Staatsvertrages behandelt werden, haben die Hohen Vertragsschliessenden Teile zu ihren Bevollmächtigten ernannt, und zwar :

DER BUNDESPRÄSIDENT DER REPUBLIK ÖSTERREICH :

Herrn Dr. Robert KERBER, Ministerialrat im Bundesministerium für soziale Verwaltung,

DER PRÄSIDENT DER TSCHECHOSLOVAKISCHEN REPUBLIK :

Herrn Dr. Bohumil VLASÁK, bevollmächtigten Minister, Sektionschef im Finanzministerium,

welche nach Austausch ihrer in guter und gehöriger Form befundenen Vollmachten folgendes vereinbart haben :

## ABSCHNITT I.

*Artikel 1.*

1. Die Träger der Pensionsversicherung, die vor der Gebietsregelung auf Grund des Artikels 27 des Staatsvertrages von Saint-Germain sowohl in der Republik Österreich als auch in der Tschechoslovakischen Republik Versicherte hatten, aber nicht nach den Bestimmungen des Artikels 275 dieses Staatsvertrages behandelt werden, haben jenen Teil ihres Versicherungsbestandes, der nicht im Gebiete jenes Staates gelegen ist, dessen Aufsicht sie nach ihrem Sitze am 18. Juni 1924 unterliegen, mit Wirkung vom 1. Jänner 1919 (Stichtag) auf den nach der innerstaatlichen

<sup>1</sup> The exchange of ratifications took place at Vienna, March 22, 1926.

<sup>2</sup> Page 39 of this Volume.

<sup>1</sup> TRANSLATION.

No. 1199. — AGREEMENT BETWEEN AUSTRIA AND CZECHOSLOVAKIA  
CONCERNING MUTUAL CLAIMS RESULTING FROM THE SETTLE-  
MENT OF ACCOUNTS BETWEEN PENSION-INSURANCE ORGA-  
NISATIONS, SIGNED AT PRAGUE, JULY 12, 1924.

Being desirous, in conformity with Article 45 of the Agreement of June 18, 1924, regarding the settlement of debts contracted in Austro-Hungarian crowns, to conclude a special Agreement concerning reciprocal claims arising out of pension insurance in respect of those pension-insurance organs which, prior to the territorial delimitation effected in virtue of Article 27 of the Treaty of St. Germain, contained insured persons both in Austria and Czechoslovakia, but which do not receive the treatment accorded by Article 275 of that Treaty, the High Contracting Parties have appointed as their Plenipotentiaries :

THE FEDERAL PRESIDENT OF THE REPUBLIC OF AUSTRIA :

Dr. Robert KERBER, Ministerial Councillor to the Federal Ministry of Social Administration ;

THE PRESIDENT OF THE CZECHOSLOVAK REPUBLIC :

Dr. Bohumil VLASÁK, Minister Plenipotentiary, Head of Department in the Ministry of Finance ;

Who, having communicated their full powers found in good and due form, have agreed upon the following provisions :

## SECTION I.

*Article 1.*

1. Pension-insurance organs which, prior to the territorial delimitation undertaken in virtue for Article 27 of the Treaty of St. Germain, contained insured persons both in Austria and Czechoslovakia, but which do not receive the treatment accorded by Article 275 of that Treaty, must, with retroactive effect as from January 1, 1919 (the peremptory day), transfer that part of their insurance policy holdings not situated in the territory of the State under whose control they are placed in virtue of the situation of their head offices on June 18, 1924, to the insurance organ competent in virtue of the internal regulations of the other State. As pension-insurance organs in this sense must be understood the provisional institutes constituted in conformity with paragraph 65 of the Pension-Insurance Law, as published in the Imperial Decree of June 25, 1914 (*Reich Legal Gazette* No. 138) (hereinafter referred to shortly as P. I. L.), which on December 31, 1918, had their head offices in Czechoslovak territory, and also the organs referred to in paragraph 66 of the P. I. L. (insurance policies contracted by employers). The Pensions Institute of the sugar industry at Prague is excluded from this arrangement and special provisions for it are contained in the Annex to the present Agreement.

<sup>1</sup> Translated by the Secretariat of the League of Nations.

2. Insurance policy holdings of an insurance organ in the territory of one of the States must be understood to mean the insurance charges assumed in that territory before the peremptory day, namely :

- (a) The reversions and claims established up to that date by persons subject to compulsory insurance whose last and, from the point of view of the competence of the insurance organ, legally decisive place of employment before the peremptory day was situated in the territory of that State, and also the reversions and claims established up to that date by persons voluntarily insured who were residing in the territory of that State at the date of the last monthly contribution before the peremptory day ;
- (b) The claims of members of the families of the insured persons referred to under (a).

*Article 2.*

1. The obligation to bear the legal insurance charges arising in the other State up to the peremptory day, that is, those charges corresponding to benefits (legal benefits, Article 4) insured under the same conditions with the General Pensions Institute, shall be transferred with effect as from the peremptory day to the insurance organ of the other State, the previous insurance organ being thereby released from these charges.

2. Should the total insurance charges exceed the amount of the legal benefits, it is decided as follows :

(a) If with the consent of the insured person an agreement with regard to taking over the additional benefits so far provided for has already been concluded between the insurance organ hitherto competent and the insured person, in the case of provisional insurance in accordance with paragraphs 65 and 66 (a) of the P. I. L., or, in the case of provisional insurance in accordance with paragraph 66 (b) of the P. I. L., between the insurance organ hitherto competent (provisional insurance employer) and the employer in whose service the insured person was employed on June 18, 1924, or immediately before the insurance contingency arose, then such agreement shall hold good.

(b) If no arrangement of the kind has been concluded between the parties concerned and if no such arrangement is concluded within six months of the coming into force of the present Agreement, the insurance organ hitherto competent shall be required to pay in Czechoslovak currency to the insured person or pensioner transferred the difference between the contributions made by him during the provisional insurance and those which he would have had to pay to the General Pensions Institute. Application for the payment of this difference must be made to the insurance organ hitherto competent within the eighteen months following the expiry of the six months' grace, under penalty of losing all right to claim in connection with this difference.

*Article 3.*

The insurance charges shall not be transferred if the insured person has accepted employment prior to June 18, 1924, involving compulsory insurance in the territory of that State in which the insurance organ hitherto competent has its head offices.

*Article 4.*

1. For the purposes of the present Agreement, persons compulsorily insured shall be on the same footing as persons actually insured.

2. Legal benefits shall only consist of those benefits which correspond to periods in respect of which contributions were actually paid and periods of employment for which a lump sum (*Einkaufsumme*, paragraph 31, P. I. L.) was paid after January, 1909.

3. The legal benefits shall be calculated according to the insurance data approved by the two clearing House Departments under the declaration procedure (Article 13).

## SECTION II.

### *Article 5.*

If insurance continues to be effected beyond the peremptory day through the insurance organ hitherto competent, it shall be regarded as trustee insurance on behalf of the new insurance organ, in so far as the insurance had not already begun to run with the latter. The difference between the premiums collected after the peremptory day, plus 4 % interest from the day on which they fell due, and the insurance benefits and repayments of premium actually disbursed, shall constitute the debit or credit balance of the trustee insurance. In calculating the total premiums no account shall be taken of any amount exceeding the premiums fixed (Paragraph 33, P. I. L.).

Any surplus contributions made by an insured person shall be refunded to him, unless, in accordance with Article 2, paragraph 2, some other arrangement has been made.

### *Article 6.*

In the accounts of trustee transactions payments made before February 26, 1919, shall be reckoned in Czechoslovak currency; payments made after that date in Austrian crowns shall, for purposes of calculating the balance, be reckoned in the proportion of 2,000 to 1.

## SECTION III.

### *Article 7.*

The mutual obligations resulting from the transfer of insurance policy holdings (Section I) and from the settlement of the trustee accounts (Section II) shall be met by Pension-Insurance Clearing-House Departments (Austrian and Czechoslovak) to be created by the Federal Ministry for Social Administration at Vienna and by the Ministry for Social Welfare at Prague.

### *Article 8.*

1. The Czechoslovak insurance organs shall pay to their Clearing-House Department in Czechoslovak currency the amount in premium reserves and covering funds corresponding to the transferred insurance charges, reduced to the legal benefits, in accordance with the position as at December 31, 1918, plus 4% interest for the period between January 1, 1923, and the day of payment, plus or minus the balance of the trustee account. The provisional institutes shall not, however, be required to pay the premium reserves in respect of those insured persons in the Republic of Austria who, between the peremptory day and June 30, 1920, were not engaged in an occupation subject to compulsory insurance or were not actually insured or who had no claim to a pension.

2. Provisional institutes which, according to their balance-sheet on December 31, 1918, held investments at present bearing fixed interest in Austrian crowns, may, on surrendering to their Clearing-House Department these investments and the interest since due, reduce the sum they have to pay by the value quoted for these securities (or estimated) on the Vienna Stock Exchange

on December 31, 1918, or, if these investments are no longer in their possession, by the difference between this quoted (or estimated) value and the yield from the sale of these investments as shown in their books. Further, they can reduce the total to be paid by the amount by which the nominal sum, shown in their balance-sheet of December 31, 1918, and still due on February 26, 1919, in claims arising out of deposits with the former Imperial Post Office Savings Bank and with Austrian credit institutes and out of loans granted to mortgage borrowers who on February 26, 1919, had their residence in Austria, exceeds or may exceed the quota accorded to them in virtue of the Agreement concluded at Rome on April 6, 1922, with regard to the Postal Savings Bank at Vienna or in conformity with Article 16 of the Agreement of June 18, 1924, regarding the settlement of obligations contracted in Austro-Hungarian crowns.

3. In the case of insurance companies which in virtue of paragraph 66 (a), P. I. L. were entitled to conclude provisional contracts and which are in fact assimilated to the provisional institutes, there shall be deducted in accordance with paragraph 2 only the proportionate amount which the premium reserves and covering funds of persons insured with the provisional institutes bear to the total reserves of the company.

4. The amounts payable to the Czechoslovak Clearing-House Department by the Czechoslovak insurance organs, including the Pensions Institute of the Prague Sugar Industry, shall constitute the Czechoslovak final balance. The interest payable on the premium reserves and covering funds shall not be included in the final balance.

#### Article 9.

1. The amount in premium reserves and covering funds corresponding to the insurance charges transferred by Austrian to Czechoslovak insurance organs and reduced to the legal benefits obtaining on December 31, 1918, plus 4 % interest for the period between January 1, 1919, and June 30, 1924, plus or minus the balance from the trustee account of the Austrian insurance organs, constitutes the Austrian final balance ; any excess of the Austrian over the Czechoslovak final balance constitutes the final sum.

2. The Austrian Clearing-House Department shall transfer to the Czechoslovak Clearing-House Department in Czechoslovak currency, the final sum plus  $4\frac{1}{8}$  % interest for the period between July 1, 1924, and the date of payment, as follows : the sum of four million crowns within one month of the fixing of the final sum, any remainder to be paid in three instalments at intervals of not more than one year. For the period between July 1, 1925, and the date of payment the rate of interest shall be increased to  $4\frac{1}{2}$  %. On the other hand, the Czechoslovak Clearing-House Department, within one month of the fixing of the final sum, shall place at the disposal of the Austrian Clearing-House Department in Vienna the investment securities received and at present bearing fixed interest in Austrian crowns, together with accumulated interest since January 1, 1919.

3. Should the Czechoslovak exceed the Austrian final balance, no payment shall be made to Austria.

#### Article 10.

1. The Austrian insurance organs shall pay to their Clearing-House Department the amount prescribed by that Department plus  $4\frac{1}{2}$  % interest for the period between July 1, 1924, and the date of payment.

2. The total amount prescribed must correspond to the total of the following amounts :

(a) The final sum referred to in Article 9, paragraph 1.

(b) The compensation to the Austrian insurance organs fixed by the Federal Ministry for Social Administration at Vienna for the insurance charges taken over by Czechoslovak insurance organs.

(c) The supplementary amount to cover the costs of administration of the Clearing-House Department to be fixed by the Federal Ministry for Social Administration.

3. The amount to be fixed for each of the Austrian insurance organs in accordance with paragraphs 1 and 2 shall be determined freely by the Austrian Clearing-House Department on instructions from the Federal Ministry for Social Administration in Vienna issued in agreement with the Federal Ministries concerned, due regard being had to the insurance charges transferred, the result of the settlement of the trustee accounts and the economic capacity of the organs. The amount shall be paid within one month of its falling due. The insurance organs shall be jointly responsible for the payment of the prescribed amounts.

#### Article 11.

1. Account shall be taken of amounts already transferred and also of amounts already collected despite the present Agreement but in virtue of some decision, in such manner that all payments shall be regarded as carried forward to the peremptory day, interest being fixed at 4 %.

2. In cases when provisional insurance employers have transferred their insurance policy holdings before June 18, 1924, to the insurance organs competent in virtue of the above regulations, and in cases when Czechoslovak provisional institutes have prior to that date transferred their Austrian holdings to the competent Austrian insurance organ, they shall not be subject to the foregoing provisions, provided that the transferred amounts in question have been paid or received without reserve.

3. The same shall apply to Austrian provisional insurance employers to whom the Ministry for Social Welfare at Prague shall, before the date mentioned, have at any rate in principle granted authorisation to establish a provisional institute for employees working in the territory of the Czechoslovak Republic.

#### Article 12.

1. Each State shall bear the cost of the Clearing-House Departments to be set up by it in virtue of Article 7.

2. To cover its administrative expenses, the Czechoslovak Clearing-House Department shall receive :

(a) From the General Pensions Institute at Prague, 5 % of the final balance of the trustee account.

(b) From the Austrian Clearing-House Department, 5 % of the final Czechoslovak balance of the trustee account.

3. The expenses of the Czechoslovak Clearing-House Department not covered by these amounts shall be placed by the Ministry for Social Welfare at Prague to the charge of the provisional institutes concerned and the insurance institutes assimilated to these, in proportion to the premium reserves and covering funds (Article 8, paragraph 1) transferred by them.

### SECTION IV.

#### Article 13.

1. In order to determine the final balances of both parties, a procedure of declaration shall be instituted, the details to be determined by agreement between the two Clearing-House Departments. The declarations must be made after three months at least, but within six months. In case of unduly delayed or inaccurate declarations, penalties shall be imposed by the two High Contracting Parties ;

further, the competent Clearing-House Department shall collect, on behalf of the other Clearing-House Department, from the insurance organ liable, 10 % of the amount which it was intended to withhold. These amounts shall not be included in the final balances.

2. Disputes between the Parties concerned and their Clearing-House Department shall be settled by the competent Ministry, and disputes between the two Clearing-House Departments by arbitration in conformity with the relevant provisions of Sections VII and VIII of the aforementioned Agreement of June 18, 1924.

#### Article 14.

The following provisions of the aforementioned Agreement of June 18, 1924, shall be applied, *mutatis mutandis*, to the procedure of declaration and recovery, the Clearing-House Departments to be established in virtue of Article 7 taking the place of the Accounts Offices provided in that Agreement :

1. Articles 2 to 4, 6 and 9, the date December 31, 1918, being substituted for February 26, 1919.
2. Articles 28 (paragraphs 1 to 4), 30 (paragraphs 1 to 3, 5 to 8), 31, 32, 34, 35 and 46.

#### Article 15.

The period between January 1, 1919, and the coming into force of the present Agreement shall not be included in the time-limits fixed by the Pension Insurance Law for the validity of insurance claims, the presentment of claims for the repayment of premiums, the payment of legalisation charges and prescription in regard to unpaid premiums.

#### Article 16.

Transfers of premium reserves effected singly prior to the peremptory day shall be regarded as effected reciprocally.

#### Article 17.

1. The Austrian Government shall place at the disposal of the Czechoslovak Government the securities still in its possession belonging to provisional insurance employers who on December 31, 1918, had their regular residence (head office) in the territory of the Czechoslovak Republic or who transferred their residence to that territory before June 18, 1924, such securities to be made again payable to bearer and unstamped and, in the case of war loan, to contain the words " not taken over by the Austrian Republic. " Permission to export shall be granted free of charge.

2. The same applies to securities of provisional insurance employers who on December 31, 1918, had a regular residence (head office) both in Austrian and Czechoslovak territory, provided that only that part of the securities shall be placed at the disposal of the Czechoslovak Government which corresponds to insurance holdings in Czechoslovakia.

3. The securities of provisional insurance employers who on December 31, 1918, had their regular residence (place of business) on Austrian territory and who still resided there on June 18, 1924, shall remain at the disposal of the Austrian Government.

The present Agreement shall be ratified as soon as possible and shall enter into force after the exchange of the instruments of ratification.

The instruments of ratification shall be exchanged at Vienna.



In faith whereof, the above-mentioned Plenipotentiaries have signed the present Agreement.

Done at Prague on July 12, 1924, in duplicate German and Czechoslovak texts, both of which are equally authentic, one to be delivered to the Austrian, the other to the Czechoslovak Government.

*For the Republic of Austria :*

*(Signed)* Dr. KERBER.

*For the Czechoslovak Republic :*

*(Signed)* Dr. Bohumil VLASÁK.

#### ANNEX.

1. The Pensions Institute of the Sugar Industry at Prague shall remain the competent insurance organ :

(a) For persons employed in Austrian territory who were already regular members of the Institute on December 31, 1918, and in respect of whom the re-organisation share was paid ;

(b) For those pensioners who were employed in Austrian territory before the insurance contingency arose and in respect of whom the contingency arose before January 1, 1919 ;

(c) For the members of the families of the persons mentioned under (a) and (b).

These persons shall be placed on the same footing as persons resident in Czechoslovak territory, it being understood that, if they enter an insurance organ other than a Czechoslovak organ, the Institute shall no longer be obliged to transfer the funds and these persons shall only have the right to maintain their claims already acquired through the payment of the legalisation charges, or to be free to continue to be insured with the Institute, or to have their premiums repaid.

Other regular members — or pensioners — of the Institute either employed in Austrian territory or having been employed before the occurrence of the insurance contingency shall, as from January 1, 1919, be entitled to insurance with the Pensions Office for employees in Vienna, the Institute being free from any obligations towards these former members.

2. The contributions in respect of the persons referred to in the last paragraph of No. 1 and the contributions collected after January 1, 1919, in respect of persons entering after that date, plus 4 % interest from the day the contribution became due, and the insurance benefits and refunds of premiums actually made, shall be allowed for in the accounts. Forty per cent of the premium reserves relating to the regular members and pensioners who became insurable with the Pensions Office in Vienna as from January 1, 1919, plus 4 % interest for the period between January 1, 1923, and the day of payment, together with the balance of the above-mentioned settlement of accounts, shall be transferred to the Czechoslovak Clearing-House Department in Czechoslovak currency.

3. The cost-of-living bonus, additional to the pensions, shall be paid to the Austrian pensioners of the Institute for the period since January 1, 1924.

4. As from January 1, 1925, Austrian subscribers must pay the same supplementary premiums as Czechoslovak subscribers, in order that the cost-of-living bonuses may be covered.

5. Austrian subscribers shall lose their membership of the Pensions Institute, if they cease to be members of the Insurance Association of the Czechoslovak Sugar Industry. In this event, voluntarily continued insurance shall not be permitted.

6. Disputes to be regulated by administrative procedure between the Institute and the Austrian members shall be settled by agreement between the two supreme administrative authorities.

*For the Republic of Austria :*

*(Signed)* Dr. KERBER.

*For the Czechoslovak Republic :*

*(Signed)* Dr. Bohumil VLASÁK.