AGREEMENT

BETWEEN

THE STATE OF ISRAEL

AND

ROMANIA

ON

SOCIAL SECURITY

The State of Israel and Romania, hereinafter referred to as "The Contracting Parties",

BEING DESIROUS of regulating the relationship between their 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) "National of a Contracting Party" means a person having the citizenship of a Contracting Party;

   b) "Legislation" means the laws, regulations and other statutory acts that regulate the fields specified in Article 2 of this Agreement;

   c) "Competent Authority" means:

   - in relation to Israel: the Minister of Social Affairs and Services,

   - in relation to Romania: the ministry responsible for the fields specified in Article 2 of this Agreement;

   d) "Institution" means the body or authority responsible for implementing the legislation specified in Article 2 of this Agreement;

   e) "Competent Institution" means:

   - in relation to Israel: the institution which is responsible for providing benefits under the applicable legislation;

   - in relation to Romania:

i. the institution with which the person concerned is insured at the time of the claim for benefit; or

ii. the institution from which the person concerned is or would be entitled to benefits if he or a member or members of his family resided in the Contracting Party in which the institution is situated;

iii. the institution designated by the Competent Authority of the Contracting Party concerned..

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:

- in relation to Israel, a period of employment or self-employment, or contributions, or residence, as defined or recognized as a period of insurance in the legislation of Israel 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 Israel as equivalent to a period of insurance; and

- in relation to Romania, the periods of contribution and the equivalent periods completed under the legislation of Romania;

h) "Residence" means habitual residence, which is lawfully established,

i) "Stay" means temporary residence,

j) "Family member" means the persons defined or recognized as such by the legislation applied by the competent institution;

k) "Liaison body": the institutions designated by the Competent Authorities to achieve the communication for the purpose of the application of this Agreement.

l) "Activity as an employed person" means any activity or equivalent situation treated as such for the purposes of the social security legislation

of the Contracting Party in which such activity or equivalent situation exists;

m) "Activity as a self-employed person" means any activity or equivalent situation treated as such for the purposes of the social security legislation of the Contracting Party in which such activity or equivalent situation exists.

2. Other terms and expressions used in this Agreement shall have the meanings assigned to them in the legislation of either Contracting Party.

Article 2

Material Scope

1. This Agreement shall apply to the legislation:

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

      a) Old age and survivors' insurance;

      b) Invalidity insurance;

      c) Children's insurance;

   B. In relation to Romania, for:

      a) Old age, invalidity and survivors' pensions;

      b) Death grants;

      c) Child allowances.

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

3. Within 3 months from the date of the entry into force of this Agreement, the Competent Authorities shall notify each other of their main legislation referred to in paragraph 1 of this Article. Before the end of February of each year, the Competent Authorities shall notify each other of the main amendments to the legislation made 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, unless otherwise agreed by the Competent Authorities of the Contracting Parties.

5. This Agreement shall not apply to legislation introducing a new branch or a new scheme of social security unless otherwise agreed upon by the Contracting Parties.

Article 3

Personal Scope

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 for in this Agreement, the following persons shall, while residing in the territory of either Contracting Party, have the same rights and obligations under the legislation of that Contracting Party as its own nationals:

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 or stays in the territory of the other Contracting Party.

2. The provisions of paragraph 1 of this Article shall not apply to special non-contributory cash benefits, awarded according to the Romanian legislation.

Article 6

Prevention of overlapping of benefits

1. This Agreement cannot confer or maintain the right to two or more benefits that cover the same contingency, granted for the same period of insurance.

2. The provisions of paragraph 1 of this Article shall not apply to benefits in respect of invalidity, old age and death, which are paid by the Competent Institutions of both Contacting Parties, in accordance to the provisions of Part III Chapter I of this Agreement.

Part II

Applicable Legislation

Article 7

General Rules

Unless otherwise provided in this Agreement

1. A person who is employed or self-employed in the territory of one of the Contracting Parties shall be subject only to the legislation of that Contracting Party, regardless of the Contracting Party in whose territory he resides or in whose territory the registered office of the employer is located.

2. A person employed or self-employed in the territory of both Contracting Parties shall be subject to the legislation of the Contracting Party in whose territory he resides. Such person shall be treated as if he exercised all his professional activities in the territory of the Contracting Party to whose legislation he is subject.

3. This Agreement does not affect the provisions of the Vienna Convention on Diplomatic Relations or the general principles of customary international law regarding consular privileges and immunities with respect to the legislation specified in paragraph 1 of Article *2* of this Agreement.

4. Civil servants and persons treated as such shall be subject to the legislation of the Contracting Party in whose administration they are employed.

Article 8

Special Provisions

1. A person who:

   a) is employed by an employer whose registered place of business is 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 for a period not exceeding 3 years;

   shall continue to be subject to the legislation of the first Contracting Party as if he continues to reside and work in the territory of that Contracting Party.

   If the duration of the work exceeds 3 years, the legislation of the first Contracting Party will continue to apply for another 2 years with the consent of the Competent Authorities of the Contracting Parties or of the institutions designated by them. Such consent should be requested before the end of the initial period of 3 years.

2. The traveling personnel of a transport undertaking or of an airline 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 of a vessel shall be subject to the legislation of the Contracting Party where the employer's registered office is situated.

Article 9

Exceptions to Articles 7 and 8

The Competent Authorities of the Contracting Parties or the institutions designated by them may agree in writing on exceptions to the provisions of Articles 7 and 8 in the interest of a person or a category of persons.

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 is subject.

PART III

Special Provisions Concerning the Various Categories of Benefits

Chapter 1

Old Age, Invalidity and Survivors' Pensions

Article 11

Provision of Pensions

Unless otherwise provided in this Agreement, when providing pensions on the basis of this Agreement, the Competent Institutions of the Contracting Parties shall apply their respective legislation.

Article 12

Periods of Insurance of Less than Twelve Months

1. Where the total duration of the periods of insurance completed under the legislation of one of the Contracting Parties is less than twelve months and where, on the basis solely of those periods, no right of benefit exists under that legislation, the institution of the Contracting Party concerned shall not be bound to grant a benefit in respect of the said periods.

2. In such a case the other Contracting Party shall calculate the benefit taking into account insurance periods specified in paragraph 1 of this Article as if those insurance periods were completed under the legislation of this Contracting Party, only for the calculation of the theoretical amount.

Article 13

Aggregation of insurance periods completed under the legislation of a Third State

If a person is not entitled to a benefit on the basis of the insurance periods accomplished within the legislation of both Contracting Parties, the right to the mentioned benefit is determined by aggregating these periods with the insurance periods accomplished on the territory of a Third State with which both Contracting Parties have an Agreement within the social security field and which stipulates the aggregation of the insurance periods.

Application of the Legislation of Israel

Article 14

Old Age and Survivors' Benefits

1. When a national of a Contracting Party or a person specified in Article 4 b) - d) of this Agreement has been insured in Israel 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 Romania shall be taken into account as far as they do not overlap with Israeli periods of insurance. The Israeli Competent Institution shall take into account only periods of insurance completed under the legislation of Romania after 1 April 1954.

2. If the person concerned 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 Institution shall determine the benefit 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 Competent 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 upon the beneficiary having been a resident of Israel or of Romania immediately prior to attaining the age entitling him to an old age pension.

4. The right to a survivors' pension shall be conditional upon the beneficiary and the deceased having been residents of Israel or of Romania at the time of 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 of this Article only if they reside in Israel and for as long as they are actually present in Israel.

Article 15

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 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 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 arising abroad.

Application of the Legislation of Romania

Article 16

Old Age, Invalidity and Survivors' Benefits

1) If a person fulfils the conditions necessary for a benefit in accordance with the legislation of Romania without taking into account the periods of insurance, work or residence completed under the legislation of Israel, the Romanian Competent Institution calculates the benefits only in accordance with the periods of insurance completed under the Romanian legislation.

2) If a person does not fulfil the conditions necessary for a benefit solely on the basis of the periods of insurance completed under the Romanian legislation, the Competent Institution shall take account, to the extent necessary, the periods of insurance, work or residence completed under the legislation of Israel, in so far as they do not overlap, as if they were periods completed under the Romanian legislation.

3) If the legislation of Romania makes the award of certain benefits conditional upon the completion of a certain period in an activity covered by a special scheme or in a specific occupation or employment, the periods completed under the legislation of Israel shall not be taken into account for determining the entitlement to such benefits unless they are completed under a corresponding scheme or, in the absence of such a scheme, in the same occupation or in the same employment, as appropriate.

4) If the legislation of Romania provides that the period in which the person concerned receives a pension is reckonable for determining the entitlement to the benefit, the Competent Institution shall take into account for this purpose the period during which the person received a pension under the legislation of Israel.

5) The amount of the benefit shall be calculated as follows:

a. the theoretical amount of the due benefits shall be calculated as if all the periods of insurance, work or residence were completed under the Romanian legislation;

b. then, the actual amount of the benefit to be granted to the person shall be calculated based on the theoretical amount calculated according to the provisions of sub-paragraph a of this paragraph, and in proportion to the ratio between the total duration of the periods completed under the legislation it applies and the total duration of the periods completed under the legislations of both Contracting Parties.

6) If the amount of the benefit is determined taking into account the number of beneficiaries, the Competent Institution shall take also into account the persons who reside or stay in the territory of Israel.

Chapter 2

Death grants

Article 17

Death grants

1. The death of a person who is subject to the legislation of one Contracting Party incurred on the territory of the other Contracting Party is assumed to be occurred on the territory of the first Contracting Party.

2. The death grant shall be exclusively awarded according to the legislation of each Contracting Party.

Chapter 3

Children's Benefits

Article 18

Children's benefits

1. Children's benefits shall be payable according to the legislation of the Contracting Party in whose territory the child resides.

2. If the benefit referred to in paragraph 1 of this Article, due to the application of this Agreement, or a Contracting Party's legislation, would not be paid by either Contracting Party, or if it would be paid by both Contracting Parties, it shall be payable only under the legislation of the Contracting Party where the child de facto resides.

PART IV

Miscellaneous Provisions

Article 19

Administrative Arrangement and Information Exchange

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 of this Agreement;

c) exchange information concerning all changes in their respective legislation which may affect the application of this Agreement;

d) designate liaison bodies to facilitate and accelerate the implementation of this Agreement by means of the Administrative Arrangement.

Article 20

Administrative Assistance

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 Competent Authorities and Institutions of the Contracting Parties may communicate directly with each other and with the persons concerned or with their representatives.

Article 21

Data Protection

Any data pertaining to individual 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.

All exchange of data between the Contracting Parties shall be subject to the legislation of each Contracting Party.

Article 22

Exemption from Taxes, Charges and Authentication

1. When the legislation of a Contracting Party provides that any claim or 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 issued by the authorities of the other Contracting Party for the implementation of this Agreement.

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

Article 23

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 claim concerned is sent to the Competent Institution of the other Contracting Party. This does not apply, however, if the applicant expressly requests to postpone the award of old-age benefits under the legislation of one of the Contracting Parties.

Article 24

Claims for Recovery

1. If the Competent Institution of a Contracting Party has paid a beneficiary a sum exceeding the entitlement of that beneficiary, the Competent Institution shall, within the scope and terms of the applicable legislation, request the Competent Institution of the other Contracting Party to withhold a sum equivalent to the sum paid in excess from any sum payable by the latter Competent Institution to the beneficiary. Such withholding by that Competent Institution shall be in compliance with the scope and terms of the applicable legislation as if reclaiming an excess sum paid by that Competent Institution itself. The Competent Institution shall transmit the sum it has withheld to the requesting Competent 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 Competent Institution of the other Contracting Party to withhold a sum equivalent to that advance from benefits payable by that institution to the beneficiary for the same period. Such 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.

Article 25

Languages Used in the Application

The Competent Authorities and Institutions of the Contracting Parties may in 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 19.

Article 26

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 Competent Institutions of both Contracting Parties shall immediately take measures necessary to insure the transfer of sums payable under this Agreement.

3. When a beneficiary in the territory of one Contracting Party is receiving benefits under the legislation of the other Contracting Party, they shall be payable directly to the beneficiary.

Article 27

Settlements of Disputes

1. Disputes which arise in interpreting or applying this Agreement shall be resolved, to the extent possible, by the Competent Authorities.

2. Should the Competent Authorities be unable to resolve such disputes, pursuant to paragraph 1 of this Article, the Contracting Parties shall endeavor to do so by negotiations through diplomatic channels.

Article 28

Medical expertise

1. If a person who resides or stays on the territory of a Contracting Party submitted a claim or is receiving benefits according to the legislation of the other Contracting Party and if a medical expertise is necessary, the Competent Institution of the first Contracting Party where he resides or stays shall carry on that expertise at the request of the other Contracting Party.

2. The modalities of the medical and administrative verification for the beneficiaries of this Agreement are established within the Administrative Arrangement referred to in Article 19.

PART V

Transitional and Final Provisions

Article 29

Transitional Provisions

1. This Agreement shall not confer any rights to payment of benefits for any period prior to the date of entry into force of this Agreement.

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

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

4. Benefits granted prior to the entry into force of this Agreement may, upon claim by the beneficiary, be determined according to the provisions of this Agreement. Such 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 claim 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 claim referred to in paragraphs 4 and 5 of this Article is submitted within two years from the date of entry into force of this Agreement, the rights under this Agreement shall be acquired as from that date. If the claim referred to in paragraphs 4 and 5 of this Article is submitted after the expiration of the two year period following the date of entry into force of this Agreement, rights which have not been forfeited or are not barred by limitation shall be acquired as from the date on which the claim was submitted, except when more favorable provisions of the legislation of any of the Contracting Parties apply.

Article 30

Validity and Termination

1. This Agreement shall remain in force for an indefinite period.

2. Either Contracting Party may at any time terminate this Agreement. Such termination shall enter into force on the 31st of December of the following year

after the date of notification in writing to the other Contracting Party through diplomatic channels.

3. If this Agreement is terminated, any right to benefits acquired in accordance with its provisions shall be maintained.

Article 31

Entry into Force

This Agreement shall enter into force on the first day of the third month following the month in which the latter notification is sent by either Contracting Party informing the other Contracting Party in writing through diplomatic channels that all the required internal legal procedures for the entry into force of this Agreement have been completed.

Done at Jerusalem on 23 February 2011, which corresponds to the 24th of Adar I 5771 in the Hebrew calendar, in two original copies in the Hebrew, Romanian and English languages, each text being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the State of Israel

For Romania