

ANNEX I

PRINCIPLES CONCERNING THE PROTECTION OF THE SOCIAL INSURANCE RIGHTS OF DISPLACED PERSONS

1. The peace settlement should include the following arrangements to protect the social insurance rights of workers recruited for employment by Axis and associated countries.

2. The arrangements shall apply to any person who, while residing in the territory of a member of the United Nations (hereinafter called "country of residence"), has, at any time since 31 August 1939 (since 28 September 1938 in the case of Czechoslovakia) and before the cessation of hostilities, been recruited by or on behalf of an agency of an Axis or associated country (hereinafter called "recruiting country") for employment in its own or in another territory occupied by it, and who in virtue of such employment has been liable to compulsory social insurance as a manual worker, salaried employee or miner, as the case may be, under the laws or regulations of the recruiting country or would have been so liable if a national of such country. Similar arrangements should also apply to workers subjected to forced labour in their country of residence.

Pension Insurance

3. A recruited worker shall be deemed to have been affiliated to the pension insurance institution of the recruiting country appropriate to the nature of his employment as from the date of his departure from his country of residence—

(1) Until the date of his return thereto; or

(2) Until the date of his death or his becoming an invalid, according as (1) or (2) is the earlier.

4. During the whole period for which he is deemed to have been affiliated to an insurance institution of the recruiting country, contributions shall be deemed to have been paid in respect to the recruited worker. Such contributions shall be based on the normal wage of a worker of the recruiting country performing similar work and shall comprise such part of the total of the joint contribution of employed persons and employers, payable in virtue of the social insurance laws or regulations of the recruiting country, as is applied to the financing of the pension insurance scheme administered by the insurance institution to which the recruited worker concerned is deemed to have been affiliated.

5. Where the last employment of a recruited worker in his country of residence was in work of a higher grade than that in which he was employed in the recruiting country, the contributions deemed to have been paid in respect of him shall be based on the earnings corresponding to the work of higher grade and shall be deemed to have been paid to the pension insurance institution of the recruiting country appropriate to the nature of this employment.

6. The total of the contributions deemed to have been paid in respect of a recruited worker, together with a proportionate share of any State subsidy to the revenue or expenditure of the pension insurance scheme, shall constitute a debt due to the country of residence. The recruiting country accepts full responsibility for the discharge of this debt: provided that such acceptance of responsibility shall not be interpreted as altering the nature of the debt, which remains primarily a joint liability of all the social insurance institutions of the recruiting country. The discharge of the above-mentioned responsibility by the recruiting country shall be effected independently of all other financial obligations which may be incurred as the result of the war by the recruiting country to the country of residence:

Provided that the total of any instalments of a pension or any lump sum in commutation of a pension which have been paid by an insurance institution of the recruiting country to a recruited worker or his survivors up to the date when the arrangements came into force shall be deducted from the total of the contribution debts due by the recruiting country, and, in such proportion as the country of residence may determine, from the proceeds of each debt individually.

7. The debt shall fall due on the date on which its amount is notified to the recruiting country and shall be increased by compound interest at the rate of x per cent. annually from the date at which the recruited worker is deemed to have ceased to be affiliated to an insurance institution of the recruiting country, until the debt is discharged.

8. Any rules adopted for the conversion, with a view to payment, of the amount of any debts expressed in the currency of the recruiting country into the currency of the country of residence, shall provide equitably for protecting the creditor from the effects of the depreciation of the currency of the recruiting country.

9. On the payment of the debt, the liabilities of the recruiting country in respect of the rights in course of acquisition and rights acquired by a recruited worker while he was deemed to be affiliated to an insurance institution of the recruiting country shall be considered as discharged:

Provided that, where, in the course of five years from the date when these arrangements came into force, the frequency of invalidity and death among recruited workers while in the recruiting country and while insured in their country of residence after their return is found to be significantly greater than that assumed in the actuarial estimates of the scheme under which they are insured, the resultant increase in the pension expenditure shall constitute a debt due by the recruiting country, to be discharged in accordance with the provisions of paragraphs 6 to 8.

10. The country of residence shall use the proceeds of the debt paid in respect of each recruited worker in order to credit him with rights under its pension insurance laws and regulations, and for this purpose shall affiliate him to an insurance institute appropriate for him in view of the nature of his occupation. If there is no such institution the country of residence shall apply the proceeds for the benefit of the worker concerned in such way as it may deem fit.

11. Where the recruited worker died or became disabled before the date when these arrangements came into force, a pension shall be awarded if the qualifying conditions can be deemed to have been fulfilled, having regard to the period during which he is deemed to have been affiliated to an insurance institution of the recruiting country.