

Czechoslovak national insurance : a contribution to the pattern of social security the Czechoslovak National insurance act.

Contributors

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CZECHOSLOVAK
NATIONAL
INSURANCE

**A CONTRIBUTION TO THE PATTERN
OF SOCIAL SECURITY**

ORBIS-PRAGUE



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NATIONAL INSURANCE

CONTRIBUTION TO THE PATTERN

OF

SOCIAL SECURITY



CZECHOSLOVAK
NATIONAL INSURANCE
A CONTRIBUTION TO THE PATTERN
OF
SOCIAL SECURITY

THE CZECHOSLOVAK NATIONAL INSURANCE ACT
WITH AN INTRODUCTION BY EVŽEN ERBAN,
CZECHOSLOVAK MINISTER OF SOCIAL WELFARE

ORBIS - PRAGUE

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I.

INTRODUCTION

by Evžen Erban,

Czechoslovak Minister of Social Welfare

I.

IN RETROSPECT

On the 15th of April 1948 the Czechoslovak National Assembly adopted the National Insurance Act, which I am now presenting to the English-speaking public. This Act is an important milestone not only as regards the progress of social policy, but as regard the whole of the Czechoslovak national economy. I should like to use this opportunity to explain why this Act, the realization of which played such a prominent part in the February events and which was one of the main positive results of these events, is of such outstanding importance.

It will be useful to ask ourselves how the idea of social insurance as a public institution originated in Central Europe, and why it has reached the level demonstrated by this Act. The idea of social security as opposed to private charity originated as early as the end of the feudal era, i.e. a short time before the discovery of the new continents beyond the Atlantic Ocean. The notions of the Spanish humanist Vives (1492—1540), regarding the establishment of public hospitals, the care of the sick and the necessitous, of orphans and deserted children; his vision of public social care replacing charity—though it attracted some attention in Western Europe and was even put into practice in some isolated cases, and up to a point (the English Poor Laws of 1601)—did not, I think, bring about a greater general awareness of the duty of society towards the individual among the nations of the West. The reason for this may, without doubt, be sought in the fact that the opening-up and colonisation of the New World provided a refuge and a means of livelihood for the masses of the

population which settled there and thus alleviated the conflicts appearing, later, in the class structure of the liberalist State.

At the beginning of the 18th Century, various forms of private insurance began to gain ground; this insurance was designed for protection against risks occurring in the life of the individual, risks against which the individual could not protect himself by his isolated powers. This introduced into liberalist society an element essentially foreign to that structure and diametrically opposed to it, for even private insurance is based, at least to some extent, on the idea of solidarity. This idea can be found, e.g. in the motto of the Sun Insurance Company, which was established around that time—"Multi societate tutiores"—i.e., the safety of the many is increased through association. In other words, individuals safeguard their interests by associating together. Nevertheless, private insurance practice at that time, though it originated as a reaction against the defects and internal contradictions which are of the very nature of the liberalist order of society, can still be seen as a part of that society, marked by the same element of internal conflict. This insurance is based on the notion of a bilateral business agreement on to the principle "do ut des". Value and countervalue implied by the private insurance contract is construed in a large variety of ways. The contract, however—as the history of the private insurance companies, particularly in the West, shows—is governed by the idea of exploitation like all other capitalist institutions.

But the chances of the expansion of capitalism in Central Europe were much smaller, not having the advantage of overseas colonial expansion. Social problems created by capitalism were much more keenly felt, therefore, and the pressure exerted by those who were excluded from society and denied even a bare minimum of existence was much more insistent. Hence we find here, as the result of capitalism, the birth of the revolutionary social theories (Marx and Engels) on the one hand, and the conception of public social insurance on the other (Bismarck). This idea of social insurance as a public institution originated in Bismarck's Germany as a reaction against the revolutionary movement which was the reply of

the exploited workers to the evils of the system, to poverty, misery, and the nightmare of unemployment. The arguments put forward in support of the workers' insurance Bill submitted to the Reichstag in 1881 provide ample proof of this. The representatives of the German bourgeoisie frankly asserted during the readings of the Bill that the suppression of socialist agitation would not suffice to remove the socialist danger unless positive measures of a social nature were introduced as well, and that it was necessary to forestall the dangerous aims of the workers' movement by an endeavour to improve the workers' position. The lower classes had to be convinced that the State was a kind of charity organisation which was concerned also with their needs and interests. It is plain from this that the chief motive of the introduction of workers' insurance in the Germany of the 19th Century was the defence of the capitalist order against the growing workers' movement as the drastic measures of the anti-socialist Act of 1878 could not stem the revolutionary tide. Even here, in Central Europe, public social insurance often found its chief support in an institution well known in the western countries: workers' self-help. In the dawn of capitalism it was up to the employee himself to defray his current expenditure, as well as to provide for needs the occurrence of which could not be foreseen. As an underprivileged individual the employee could not, of course, achieve much in this direction by himself. Workers began to unite, therefore, and to fight collectively for wage-increases and better conditions of work. As regards means of safeguarding against exceptional needs, it is plain that the savings of an underpaid employee, whose exceptional and unforeseen needs were the same, or rather greater than, those of anybody else (since in his case there was a greater likelihood of disease or incapacity), could not provide any real protection. Here again, workers associated in friendly societies, etc., on the basis of (as far as possible) equal contributions and for the purpose of providing assistance for those in need. Historically this is the second source of social insurance.

In its further development, social insurance in Central Europe loses nothing of its class character. On the one hand

capitalists here had never been as powerful as in the West, on the other hand the workers' ideas were much more radical. In consequence of this correlation of forces the capitalist order here is more inclined to make concessions; capitalism is always prepared to restrict the individual capitalist in order to preserve the capitalist class and capitalism intact as a system.*

But even so, the social and economic conditions in Central Europe which compelled the relatively rapid expansion of social insurance under capitalism are far from simple. Capitalism is unwilling to concede any more than absolutely necessary and is prepared to grant to the working class only such benefits as are made essential by the ever-growing social pressure. Two important obstacles were placed here in the path of the working class, two powerful forces of the capitalist system: foreign investors—for example the particularly powerful Schneider-Creusot combine—threatened to withdraw investments in case the high rate of profit were to be reduced by "social burdens" (contributions to social insurance), and, secondly, the export interests of home capital in the international market, which were no less threatened by these "social burdens".

Traces of the class character of social insurance are found also in the distinction made between insurance at a higher rate of benefit for the "white collar class", and at a lower rate for industrial workers. This distinction was intended to undermine working-class unity. Such "higher benefit insurance" is really a reward given by capitalism to the middle classes (salaried employees) in return for "good services rendered"; that is, a kind of social corruption. This circumstance goes far to explain the curious fact that in the Austro-Hungarian Monarchy a scheme of pension insurance for salaried employees, providing, on the whole, decent rates of benefit, was enacted as early as 1906, whereas a similar scheme for

* It is interesting to note in this connection that during the discussion of the Beveridge Plan at a conference of the British Conservative Party in 1942 Mr. Somerset de Chair, M.P., defined the Beveridge Plan as "the beginning of a settlement between the working class movement and the capitalist system."

workers did not come into being until the social insurance scheme enacted by the Czechoslovak Republic in 1924.

This general social insurance Act of 1924 placed Czechoslovakia in the forefront of socially progressive capitalist States, but in spite of this, the development of insurance under the Act again showed the difficulty, if not impossibility, of creating a system of complete social security under a capitalist economic régime.

The Social Insurance Act of 1924, progressive for its time, was amended twice, once in 1928 at the time of prosperity, and again during the slump in 1934. The amendment of 1928 provided an opportunity for the coalition of bourgeois parties, to reduce workers' benefits and thereby the burdens imposed by insurance on the owners of the means of production. In 1934 the consequences of the economic crisis, i.e., the unexpected reduction of contributions and the growth of cases insured against, both in sickness and in long-term insurance, were not without effect on the social insurance scheme. The crisis was solved, again, on class lines, as the rates of benefit of "white-collar workers" were increased while workers' insurance benefit was curtailed.

Although, even with the foregoing reservations, this insurance scheme was progressive for its time, it was nevertheless a scheme in which the principle of the so-called actuarial balance was decisive, being consistent with the social order of that day. Even then progressive forces were taking up the fight against that social order, and were to achieve their end later, in drawing-up the national insurance scheme of 1948. Progressive experts (chiefly from the trade union movement) in the field of Czechoslovak social insurance recognised, from their intimate knowledge of its working in practice, that social insurance would in a better social order become one of the most important factors in the just and equitable distribution of the national product. During the second world war and under the occupation the idea of national liberation was closely related in the minds of these experts to the idea of complete social liberation and a great deal of

constructive work was done then in preparation of what was to be this national insurance scheme. When liberation at last came in 1945, experts recruited almost entirely from the war-time underground trade union movement, had their plans ready, had completed a careful analysis and criticism of the social insurance schemes which had in the meantime been introduced abroad, and had especially learned all the right lessons from the Beveridge Plan and from the social insurance schemes of the USSR, New Zealand, Sweden and Great Britain. As a result of all this the progressive ideological equipment with which liberated Czechoslovakia approached the preparation of its national insurance scheme was in sharp contrast to the former conception of the significance and function of social insurance.

It was especially the Revolutionary Trade Union Movement (ROH) which at that time contributed to the creation of the scheme in a truly revolutionary manner.

In May 1945 already, the expert committee of the Trade Union Council began the preparations. It was to be more than two years, however, before the trade union movement, assisted by the left-wing political parties, succeeded in placing the National Insurance Bill on the list of concrete political tasks. Remnants of class interest and the "vis inertiae" of the traditional liberalist conception of social insurance throughout that time obstructed this work, notwithstanding the fact that the national insurance plan had been a definite part of the so-called Košice Government Programme, the programme accepted in April 1945 by the first Government of the liberated country.

Through the application of systematic and forceful pressure the Trade Union Council succeeded in 1947 in bringing about the creation of a joint commission of the National Front (including all six political parties) and of the Trade Union Council. It was the task of that commission to carry out a political analysis of the material prepared by the trade unions and to present it to the Government as a *political* agreement. However, the commission did not conclude its task until the end of January 1948 and after endless struggles. There

could be no doubt that the supporters of the ancien régime were prepared to go to any lengths to prevent or at least delay the adoption of the Bill, which—as they rightly assumed—could not fail to undermine their remaining power. I have before me no less than fifteen attacks against the Bill published in the official newspapers of those parties during less than a month which are simply demagogical and misleading assertions. One of these may be quoted as characteristic: published on January 8th of this year, it states that “National Insurance will legalise bigamy or even polygamy, since under the Bill benefit may be awarded in respect of the death of an insured person to any number of legal wives and an equal number of unmarried wives” (sic.). Other statements sow dissension between different sections of the people, claiming that one class of self-employed persons (farmers, etc.), was going to pay for the insurance of another; and more of the same kind. It was clear that the right-wing elements were trying to “filibuster” national insurance both in the commission and in the eyes of public opinion, so as not only to prevent national insurance becoming law, but to bring about a split in the ranks of the working class. The struggle even extended to the ranks of the Revolutionary Trade Union Movement, where, however, these sectional interests found no fertile ground.

In February 1948 a state of affairs was reached where the scheme was prepared, but it was more than doubtful whether it would ever come into being.

The succeeding events brought the conflict between the right and the left to a climax, and produced a fundamental change of policy, in which national insurance played a decisive part. At the memorable Congress of Works Councils of February 22nd, 1948, the chairman of the Trade Union Council, Antonín Zápotocký, declared: “There is no more urgent task than to take a decisive step towards lifting the shadow from the life of those who have grown old in work, to provide, at the very least, for the most essential adjustment of the benefit of incapacitated workers, of salaried employees, tradesmen and of retired farmers. Therefore, it is the unconditional demand of this National Congress that the National Insurance Bill be en-

acted at once. This Bill has been prepared and agreed upon by all competent authorities and with the participation of the Trade Union Council, the Ministry of Social Welfare and the representatives of all political parties of the National Front. There is nothing to prevent this Bill... from being debated and adopted by Parliament without undue delay, amendments or pointless argument." The resolution adopted by the 8000 delegates gave full voice to this demand. After the solution of the political crisis the Government accepted the programme of the Revolutionary Trade Union Movement, and declared that it would consider itself bound to enact, in addition to the great task of the new Constitution, also the national insurance scheme.

Henceforth, nothing stood in the way of the scheme. All former difficulties were smoothed out easily in the specially appointed Government commission, which included representatives of the Trade Union Council. The Bill was accepted by the Government in its session of March 19th, 1948 and adopted by Parliament, after thorough discussion, on April 15th.

II.

GUIDING PRINCIPLES

The ideas which are the guiding principles of our present social policy were first formulated in the so-called Košice Government Programme of April 1945. There already a unified insurance scheme, including all workers without distinction of working category, (i. e. not only employees) was demanded. Today, these principles are perpetuated in the Constitution of May 9th:

"The People's democratic Republic recognises no privileges." (Article III, subsection 1).

"National Insurance shall provide for citizens in all cases of incapacity for work." (Article III, subsection 3).

"Everybody shall be entitled to the protection of health. Every citizen shall be entitled to medical treatment and care and to provision in old age, as well as in all cases of inca-

capacity for work, and in case of loss of livelihood.—Women shall be entitled to special care in cases of pregnancy and confinement, children and young persons shall be entitled to all facilities for their full mental and physical development. These rights shall be ensured by the Acts relating to national insurance, as well as by health care and social welfare.” (Section 29).

In these provisions two principles are expressed: the principle of the universality and the principle of the equality of the protection which social insurance provides: that is to say, the principle of a *national* insurance.

The National Insurance Act deals with three fundamental tasks:

- a) the unification of the previous chaotic structure of social insurance;
- b) its extension to all members of the working population;
- c) the creation of a firm basis for the whole institution of social insurance, consistent with the social, political, economic and organisational demands of our time.

The first of these three tasks is closely related to a complex of problems facing every legislator in a State labouring under an old-established social insurance scheme; that is, to undo the crimes of the past. In social insurance above all the principle that benefit once awarded shall on no account be reduced, is paramount. This is not only a question of the principle of rights acquired under an individual contract but of the principle that the advantages which laws have granted to a certain group of workers shall on no account be taken away from that group. If then, as we have said, national insurance shall be uniform and equal for all, the above principle implies that the best kind of insurance must be the basis for all. This principle provided the basis for the Czechoslovak national insurance scheme and was in some respects even improved upon. This fact alone would be sufficient to show that a social insurance scheme has been created which will bear comparison with any.

The second task of national insurance is given by the extension of insurance to all members of the working population.

ion: not only employed persons but all self-employed persons, as well as persons in family employment, are now liable for insurance in Czechoslovakia where formerly, just as in the majority of other countries, insurance had been provided for employed persons only. As in other branches of social policy a fundamental distinction was made between persons working for a wage (or salary) and independent producers, and the great majority of all social measures was limited in its application to the first of these groups only. In a planned economy, however, social policy does not differentiate between different contracts of work, be they contracts of service, commissions, private enterprise, or assistance rendered by a dependant of the employer in the latter's undertaking. The only condition is, of course, *personal* work; ownership or other claims to a share of the profit from an undertaking cannot constitute a claim to social benefits. All work is deemed a part of national production and contributes towards the raising of the standard of life; a modern legislator cannot, where the fundamental security of every worker is at stake, make a distinction between wage earners and self-employed persons, but must enlarge the scope of social insurance, so as to include all. In view of the fact that the new social order is characterised by the planning of production, distribution and consumption, it will not allow the existence of persons who are capable for work but do not work; thus the whole nation will be included in the provisions of the Act.

The third task of national insurance is provided by the modern conception of the insurance contract, and of the operation, financial administration and organisation of insurance.

The chief modern principles which find application in the Act are:

1. insurance ipso jure (cf. III. A);
2. departure from the "wages classes" under which persons have been insured so far, and the introduction of insurance in accordance with the "basis of assessment" (cf. III. A),
3. the establishment of a health service on a large scale with particular emphasis on preventive care;
4. the new concept of the conditions of benefit, i.e.,

that only loss of earning capacity constitutes a claim, and not disability, old age, or death as such. Thus, the last trace of semblance with private life or accident insurance vanishes;

5. the departure from the previous principle of "merit". According to this principle the rate of benefit is affected by each insured month or week (no matter how long ago), and by the wage gained in such a month or week, or the contributions paid in respect thereof. This system had its analogy in the actuarial balance between contributions paid and the rate of benefits. Our time has taught us the defects of that system: earnings of 10 or 20 years ago cannot be considered a just basis for the assessment of a pension on which the insured person has to live to-day. The National Insurance Act leans towards the principle of "need", and on that basis determines the rate of benefit; that is to say, benefit is assessed in accordance with the insured person's standard of living. Rates of benefit are thus automatically adapted to existing living costs and the expenditure of national insurance is stabilised from the very first, benefit being constant. In consequence, no accumulation of capital is necessary.

Where formerly the funds expended on social insurance were overhead items expended in the interest of preserving a capitalist economic and social system, this expenditure is now a socialised part of reward for work; each individual is entitled to a portion thereof if he needs it and in the form which corresponds to the kind of need, i. e. benefit in kind or cash. A society living within a certain territory is a permanent and self-renewing organism, consisting, first of all, of working members, further of members about to become able to work and finally of persons no longer able to work because of sickness, disability or advanced age. All three groups of the population must be supported from the current results of work: it is the duty of the working members of the community to devote part of the fruits of their labour to the care of these two other groups. The capacity for work of working members of the community depends on their education and on the training paid for by persons now no longer capable; the productive capacity and the gain derived

from the work of persons now working is to a large extent the result of the work of their predecessors. The maintenance of the standard living of persons now working and its preservation in the future depends on the education and training of youth. It is clear from these considerations that the current benefit of social insurance must be financed from funds provided from the current national income. This conclusion is of course in contradiction to the capitalist system in which the national economy is split into innumerable private economies, unconnected by any plan whatever. Only an economic system based on a plan the aim of which is the steady raising of the standard of living, makes it possible to depart from the previous system of financing based on a maximum accumulation of capital and to replace it with a planned distribution of benefits with a minimum reserve fund, used only to tide over fluctuations caused by temporary economic difficulties.

It should be clear from this outline of guiding principles that the present insurance scheme is conceived as a complete revolution of the system of financing. A precedent exists in the conception of social insurance in the USSR (which has included the right to material security in old-age, sickness and loss of capacity for work in its Constitution, and ensured this constitutional right through the social insurance of workers and other employees at the expense of the State, free health service and the establishment of a wide network of institutions of treatment). As regards the part played by social insurance in the economy, valuable evidence is provided by Beatrice and Sidney Webb in *Soviet Communism—A New Civilisation*: "*The Soviet worker realises, as the wage-earners of no other country do, that the future maintenance, in any adversity, of his wife and children, together with his own, have become a direct charge upon the community's yearly production.*"

"Thus there is, in the USSR, no attempt to build a capital fund from which the future benefits will be met; the benefits each year are, in the main, provided from the collections of the year. Soviet communism makes the discovery that the community does not grow older year by year, and therefore more liable to break down, as each individual does; and with this

fact, so successfully obscured by individualism, all necessity for the actuarial complications involved in the European and American conceptions of insurance simply disappears."

The National Insurance Act is a social achievement of historic significance for Czechoslovakia; it arose out of the initiative of the workers organised in the trade union movement, the same workers who during the events of February 1948 made the realisation of this Act their political demand. The Czechoslovak workers however did not make this demand from narrow, selfish and shortsighted motives, in the interest of their own security, the security of the working class; they demanded it in the interest of all working sections of the population, including the farmers, independent tradesmen, members of the free professions, etc. This Act is thus an expression of the solidarity of all working sections of the population, those sections who in the past were purposely played out one against the other and were kept in bondage by a small privileged section. The National Insurance Act appeals at the same time however for greater responsibility to the whole economy, to our producers—the workers, the intelligentsia, the farmers and the tradesmen. It is an appeal to even greater efforts, the fruits of which will not only make the institution of national insurance secure, but will, in the future, make possible its even greater development for the benefit of all members of the working community. We are not making presents to the working people; they themselves are giving as much as they can afford. And those to whom they have given their confidence can only distribute such assets as the people have created by their own labour.

The working people of Czechoslovakia have realised that without the fulfilment of all economic requirements and in particular without the nationalisation of production, without the economic plan and the consequent increase in the productive capacity of the whole nation there would be no national insurance.

III.

THE NATIONAL INSURANCE ACT

A. General Conditions of Benefits

The first condition for any benefit under national insurance is that the employed or self-employed person be insured. The insurance contract arises differently in different insurance schemes—sometimes at the time of registration, sometimes not until contributions have actually been paid, and in yet other systems with the mere fact of being employed, or of carrying out a gainful occupation. This last type is insurance “*ipso jure*”, hitherto known in Czechoslovakia only in the sphere of health insurance. Under the new Act this principle—which is beyond doubt the most favourable for the insured person—has been adopted generally, both in pension and in health insurance.

Entitlement for benefit arises not only if the event insured against occurs during the insured period, but (in sickness insurance) also if insurance has already expired, i. e., during the so-called ‘protected period’ (cf. section 52 of the Act). In pension insurance, the hitherto usual ‘qualifying period’ and the above ‘maintenance of rights’ are joined in the single fundamental condition that the insured person must have been insured, during the five years preceding the event insured against, for at least four years. This condition allows, however, of certain exceptions, as a variety of non-insured periods (‘credited periods’) may on certain conditions be considered insured periods; that is to say, periods during which the insured person is either unable to work due to circumstances beyond his control, or is engaged on activities which from the social point of view are considered valuable as insurable occupations, e. g., a period of military service, or of study. Further concessions are granted to young persons. In all these cases, the minimum period of insurance is shortened to one year. Even this single year is not required in cases of industrial accident or occupational disease.

The rate of contribution and of benefit is individually determined in respect of each insured person by means of the *basis of assessment*, this being all income which the

insured person derives from work carried out under contract. In the case of self-employed persons, the basis of assessment is considered the rate of pay of a worker of such qualifications that he could replace the employer in directing the undertaking, plus one fourth. This sum must not, however, be less than the pay of the best-paid employee in the undertaking, again plus one-fourth. The Ministry of Social Welfare can, in certain cases, determine a fixed sum to be taken as the average income for insurance purposes. In the case of farmers in particular this imaginary income is determined by the Ministry in each individual case, in accordance with the position and size of the holding, the crop region, the quality of the soil, and the manner of cultivation. The basis of assessment in the case of members of an employer's family working in his undertaking—a person in family employment—is the wage which would be payable to the worker who is replaced by a member of the employer's family. This rate must, however, in no case exceed the imaginary insurable income of the employer. The maximum basis of assessment is Kčs 2,400.— per week, i. e. about three times the average employed person's weekly income.

B) Sickness Insurance Benefit

Sickness insurance has so far suffered from organisational disunity. There were different insurance schemes for different groups of employees (workers, miners, private salaried employees and civil servants) and different descriptions and rates of benefit for each group. These distinctions can no longer be made in national insurance, for the asset which it is the function of insurance to safeguard—health—is equally precious for each citizen, and equally valuable for the nation and the national economy in the case of every worker.

National insurance first of all guarantees to the insured person and his dependants medical treatment in all cases of illness, both at home, at the surgery and out-patients' departments (*extra-institutional treatment*), and in hospital (*institutional treatment*). This latter includes treatment in all public hospitals and other public institutions of treatment, and, where necessary, also in resorts, sanatoria and convales-

cent homes: it also covers dental care, treatment in cases of maiming and disfiguring, and treatment in cases of sterility.

Sickness benefit in cash is graduated, according to a "basis assessment", from Kčs 15.— to Kčs 159.— a day; i. e., about 50 per cent. of an average medium income. (Thus in the average 12th class, cash benefit in respect of average earnings of 150 Kčs per day is 50 per cent., in the below-average fourth class, with Kčs 45.— daily earnings, it is 66 per cent, and in the above-average 17th class, in respect of 250 Kčs daily earnings, benefit amounts to 44 per cent). Benefit is payable as from the day on which the insured person ceases to be entitled to wages or salary, and for the whole period of incapacity for work, up to a limit of 356 days. In addition, benefit is increased after 91 days of incapacity by 10 per cent, and after 182 days of incapacity by 15 per cent. of the original rate.

In cases of *maternity*, insured persons and their families are entitled to free medical assistance and to the services of a midwife, or to treatment in a maternity home; to a layette (or a money grant in lieu) and to a maternity grant of Kčs 2,500.— (i. e. more than three times the average daily income of an employed person) in respect of each child in addition, the mother is entitled to sickness benefit for a period of eighteen weeks.

Domestic help is an altogether new description of benefit: it will be provided for an insured woman or a female dependant who cares for at least one child, and where no domestic help is employed in the household. In view of the lack of domestic labour available, cash compensation may be paid in lieu, the rate of which will be increased by 33 % in respect of the third and of every further child below 14. This benefit will be payable from the 15th day of illness onwards for a period of 365 days.

Funeral grant, payable to the surviving dependants of an insured person, is at the rate of Kčs 5,000.— i. e., more than 6 times the average weekly earnings; funeral grant in respect of the death of a wife (married or unmarried) of an insured person is 1,500.— Kčs, i.e. more than twice an employed person's average weekly income, and in respect of other

dependants it is graduated according to age, at the rates of Kčs 500.— to Kčs 1,300.—, i. e. between 60 and 160 per cent of the medium weekly earnings of employees.

Medical service is organised on the basis of free choice from among the doctors under contract to the insurance institution.

C. Pension Insurance Benefit

Pension benefit under the new scheme is of the following descriptions:

1. *old age pension*, payable from the 65th year of age or—where the insured person has been insured for at least 20 years—from the 60th year of age, provided the pensioner does not earn more than one-half of his average weekly earnings in a previous occupation during the preceding five or ten years;

2. *disability pension*, payable to insured persons in all cases of loss of earning power or of a reduction of earnings to less than one-half as the result of permanent infirmity;

3. *wives' or unmarried wives' pension* is payable to a wife (or unmarried wife) who is either not capable of carrying out the usual work in the household, or who has reached the age of 65, and it will be at the annual rate of Kčs 6,000.— i. e. 15 per cent. of average weekly earnings;

4. *widows' pension* will be paid unconditionally for a period of one year and, after that time, to a widow who has lived in marriage with an insured person for at least 15 years, or who is disabled, or who has completed the 45th year of age, or who cares for at least one child of the insured person, provided the child is entitled to an education allowance;

5. *unmarried widows' pension* is payable to the unmarried wife of a deceased insured person on the same conditions as a widow's pension, provided she has lived together with the insured person for at least ten years, or three years if she is the mother of his child;

6. *orphans' pensions* are payable to totally orphaned children or to partly orphaned children not in a mother's care, as a rule up to the 16th year of age but in cases of children

who are undergoing vocational training, or are incapable of work because of illness, up to the 25th year of age;

7. *an educational supplement* is payable in addition to disability, old age and widows' pension in respect of unprovided children in the pensioner's care and up to the same age as orphans' pension, at the rate of family allowances payable to employed persons; educational supplement which is paid in addition to a widow's pension is always at least Kčs 72.— a week in respect of each child, i. e. about 9 per cent. of the average weekly wages;

8. *industrial accident insurance benefit* amounts to two-thirds of the yearly income where an accident has caused total incapacity for work. Where an accident has caused only partial incapacity for work, the rate of benefit will be a portion of that amount (corresponding to the degree of incapacity) from 20 per cent. upwards;

9. *single accident insurance grant* will be paid in cases of accident causing a reduction of earning capacity of 10—20 per cent. and will amount to three times the yearly rate of accident benefit awarded under section 8;

10. *marriage grant* will be paid at the rate of Kčs 5,000.—, i. e. more than six times an average weekly income;

11. *social benefit* will be payable to Czechoslovak citizens who have passed the age of 65 or who are infirm and necessitous, provided that they are not entitled to a pension under this insurance scheme or out of public funds. This benefit will be at the rate of 168 Kčs per week, i. e. more than 20 per cent. of an average weekly wage, and, when paid to a married (or unmarried) couple, will in respect of both of them amount to 252 Kčs weekly, i. e. over 31 per cent. of an average weekly wage; if paid to an orphaned child it will amount to 120 Kčs weekly, i. e. 15 per cent. of an average weekly wage. Social benefit replaces, on a socially just basis, the previous undignified and humiliating assistance to the poor.

Old age and disability benefit consist of a basic rate and increments. The basic rate will be 168 Kčs weekly, i.e. 21 per cent. of the average weekly earnings of the insured person;

the increments will be at the rate of 28 per cent. of the average weekly earnings after 20 years of insurance, and a further 0.8 per cent. in respect of each additional year. Where the beneficiary has been insured beyond the 60th year of age the increments will be at the rate of 2 per cent. Old age or disability benefit must not exceed 85 per cent. of the average earnings, but must not be less than 192 Kčs per week, i. e. 24 per cent. of the average weekly earnings of an employed person.

In the case of *miners* the increments will amount to 1.2 per cent., and, for time of work below ground, to 2 per cent. of the average earnings. The minimum rate of benefit in this case will be 288 Kčs weekly, i. e., almost 30 per cent. of a miner's average weekly earnings; the maximum rate will be 90 per cent. of the average earnings. Old age pension is payable to a miner who has reached the 55th year of age, provided he has worked at least 25 years below ground or at least 35 years in the mining industry and ten years of that time below ground; or after the 60th year of age, where the insured person has been insured for at least 15 years in respect of employment in mining. Miners' disability benefit will also be paid on more favourable conditions.

Widow's or unmarried widow's benefit will be 70 per cent. of the rate of old age or disability benefit in the case of a widow who is disabled or has passed the age of 45 or cares for at least one child of the insured person, and 50 per cent. of the pension in other cases, and must not be below 168 Kčs weekly, i. e. 21 per cent. of an average weekly wage. Orphan's pension will be at the rate of one-half of the old age or disability benefit and not less than 120 Kčs weekly, i.e. 15 per cent. of an average weekly wage.

Benefit of all these descriptions may be increased by as much as one-half where the pensioner is infirm or helpless to such an extent that he requires the attendance and care of another person.

For the sake of completeness it may be mentioned that this pension insurance scheme does not apply to civil servants, who will still be provided for under the present superannuation scheme.

D. Sources of Funds

Funds required for financing the expenditure on national insurance will be raised in the main by contributions and by a State subsidy.

1. Contributions are determined separately for sickness insurance on the one hand and for pension and accident insurance on the other hand. The rate of contributions will be a percentage of the basis of assessment.

Sickness insurance contributions will be at the rate of

a) 6.8 per cent for all employed persons, save for those family employment.

b) 5 per cent for civil servants,

c) 6.7 per cent for self-employed persons and persons in family employment.

Pension insurance contributions will be at the rate of 10 per cent of the basis of assessment.

Accident insurance contribution will be at the rate of 1 per cent of the basis of assessment and will be paid jointly with the pension insurance contributions in the case of employed persons and persons in family employment.

2. The State will contribute to the funds of both pension and sickness insurance.

The amount of this subsidy in pension insurance will vary in close relation to the financial system (cf. III. C). The reserve fund will not need to be sufficient to cover all claims at any given time, but only to ensure against fluctuations caused by temporary economic difficulties, an increased rate of disability, etc. The Act provides that the State subsidy paid to the Central National Insurance Institution for the purpose of creating a reserve fund shall amount by December 31st 1956 to three times the amount spent on benefit in 1949, i. e. roughly 54,000,000 Kčs. After the year 1956, the State will only contribute at a rate sufficient to keep the level of the reserve fund constant.

Under the new system the State will also contribute to the cost of sickness insurance; previously, this item was defrayed from contributions only. The reason for this innovation can be found in the circumstance that under the new system sick-

ness insurance will take over a number of obligations so far borne by the public health administration alone, as, e.g., preventive treatment and protective medical care, mother-and-child care, etc. The amount of this State subsidy has been left to be determined by Government Order. In addition to this subsidy the State will further contribute to the Central National Insurance Institution one-half of the cost of institutional treatment.

E. Administration of Insurance

It is one of the aims of the National Insurance Act—as has already been stated—to do away with the previous administrative disunity of social insurance and to introduce a single authority on a national level and for all types of insurance. The autonomy of the insurance administration is, on the other hand, fully maintained. All insurance will be administered by the Central National Insurance Institution, an autonomous public institution, in the organisation of which the principles of *democratisation* and *decentralisation* will find full application.

By the principle of *democratisation* we mean that the direction of national insurance will be in the hands of the insured persons themselves and in pursuance of this principle the Act provides that all important decisions shall be taken by bodies composed of the elected representatives of the insured person. *Decentralisation* is achieved by the organisation of insurance on three interdependent regional levels: the Central National Insurance Institution and, as its territorial organs, national insurance institutions and district national insurance institutions. Once again, elected representatives of the insured public will deal with all matters of policy and other important decisions.

The Central National Insurance Institution and its administrative organs issue legally binding rules, in the form of awards, setting out the rights and duties of insured persons and other concerned parties. Appeals against these awards may be lodged and will be dealt with by special insurance courts. In accordance with the decentralising principle, these are insurance courts, superior insurance courts and the Su-

preme Insurance Court. Here, too, the principle of democratisation is given effect by the participation of lay assessors chosen from among the insured persons.

As regards the provisions of the Act referring to the financial administration of the Central National Insurance Institution, special emphasis is laid on long-term planning, in accordance with the national plan. The constant references in the Act to cooperation with the trade unions are significant in this context. The trade unions, together with the trade and professional associations of self-employed persons, are responsible for submitting lists of candidates for the elections to the governing bodies of the insurance institutions.

It can be seen that the slogan "The administration of social insurance is the business of the insured" has been the guiding principle of the whole organisation.

IV.

ECONOMIC ASPECTS

The national insurance scheme in Czechoslovakia will be an important instrument in achieving a more just distribution of the national income. The Act, as has already been stated, is based on the idea that every working member of the community ought to contribute part of his income towards the maintenance of those who cannot work. These contributions are a social tax, by means of which the national income will be re-distributed. It is important to realise that under this scheme the individual is not saving up for a pension in his old age, but is contributing to provide for all those who are at any given moment unable to work for reasons of age, sickness or disability.

From the economic point of view it is therefore important to determine whether the share of the national income of those who, for any of the above reasons, cannot work, is commensurate with the share of those who are at that time productively employed. Under the Act this share equals during the first few years of national insurance 13 per cent. of the national income, or 16.8 per cent of the basis of assessment,

i. e., in the case of employed persons, of the gross wage or salary.*

This share needs to be considered in the light of two limiting factors. It is a minimum requirement that national insurance should provide for all typical risks in such a way as to create an atmosphere of social security, which, in the light of modern social psychology, is essential for the development of productivity and efficiency and the nation's working capacity. The Czechoslovak legislators, have, therefore, worked on the correct assumption that the feeling of insecurity, the fear of loss of earnings in old age, sickness, or disability, undermine and destroy the ability to work and thus reduce—in other words—productivity and efficiency. On the other hand, this social security must not result in an atmosphere of social idleness, of a "nation on retirement benefit", in which the expenditure devoted to pensioners and persons living on social benefit would burden production and the productive sections of society to such an extent as to undermine efficiency in production and the productivity of human labour. The proportion of 16.8 per cent., of the gross cash income of the population, is, in the opinion of most economists in this country (the Government based its decision on the judgment of the Central Planning Commission) fairly near the maximum portion of the national income which can profitably be redistributed in this way. The proportion of income redistributed under the old Czechoslovak insurance scheme, i.e., collected from the working section of the population in the interest of those unable to work, was about 8 per cent. of the total national income. Under the new national insurance scheme, this proportion is increased to, roughly, 13 per cent. of the national income. It may be noted for purposes of comparison that in Great Britain, for instance, social insurance expenditure in 1945 amounted to 5.5 per cent., of the national income, which figure is to be increased under the Beveridge Plan to 8.5 per cent. In the USA this item may be assessed at 3.5 per cent. to 7 per cent. (1941), according to whether we include sums expended on social welfare and recreation in this figure or not.

* For details see Appendices.

But the problem of redistribution of the national income implies a further question. Is this redistribution more just and more equitable?

As regards justice, it used to be difficult to determine what profit margin was morally justified in the case of self-employed persons, in view of the fact that these persons were unable to secure themselves against old age otherwise than by private savings derived from high profits, or, in some cases, by private insurance, again paid out of high profits. By including this class of persons in the public insurance scheme (thus making them socially secure against old age, disability, sickness, etc.), we can, in planning production and distribution, eliminate these excessive profits, and the hope of such profits.

Equality is ensured on the income as well as on the expenditure side. As regards income, the emphasis placed on private savings is reduced (and at the same time economic fluctuations resulting from fluctuations in savings); and as regards expenditure, the comparative stability of old age and disability pensions as well as of sickness benefits, materially contribute to ensuring to the broad masses of the population a constant level of consumption even in periods of exceptional need.—The barter economy of the retired farmer's annuities (*výměnek*) paid formerly by the farmer's heir, will now be replaced by the money economy of pension benefit.

In connection with the share of the sum expended on national insurance in relation to the entire national income it is necessary to determine whether the increase of social benefit rates and the granting of benefit to additional sections of the population does not cause inflationary pressure. If we compare the present state of affairs with the anticipated effects of the introduction of national insurance, we find that the additional sums distributed in the form of social benefit will amount to an additional 13 milliards Kčs, whereas the amount taken in contributions from employed persons, their employers and from self-employed persons will be increased by about 10 milliards Kčs against the current figure. That means that 3 milliards Kčs spending power will be distributed in excess of the sums taken in contributions. This increase of spending power represents slightly less than

2 per cent. of expected private consumption which, in view of the rising productivity of this country, is practically no economic danger.

As a result of the change-over from full compensation (involving a maximum accumulation of capital) to a scheme of current financial coverage, the insurance institutions cease to be the great investors of pre-war days, and thus also cease to be interested in maximum rates of interest. In any case, in view of the centralised planning of investment under the general economic plan the insurance institutions would lose their choice as to the sectors of the economy in which to invest. One residue of the previous system is the security funds provided for by the Act and amounting in the case of sickness insurance to $\frac{1}{4}$ — $\frac{1}{6}$ of the average annual expenditure, and in the case of pension insurance to almost three times the average annual expenditure. The state subsidy represents almost the same amount as the expected capital created by these reserve funds, and may therefore be considered as a current item. It remains true nevertheless that on the assumption that the tax system is based on direct taxation with rapid progression, the State subsidy is an even more social means of financing than contributions based on the proportional principle.

In considering the economic aspect of national insurance, two social contingencies must be considered which are not provided for under the Act. These are children's allowances, and unemployment insurance.

The separation of family allowances from national insurance is of technical rather than fundamental character. The legislation regarding family allowances came into being more easily than the National Insurance Act, so that the Act relating to the former has preceded national insurance by a full two and a half years, having been adopted in 1945.

As regards loss of livelihood for reasons beyond a person's control, the most important risk not covered by national insurance is unemployment. It is no accident, however, that, under our present system, cases of unemployment are dealt with by the labour administration directly, and that this method is intended to continue. In view of present-day needs

of the direction of labour it is considered of the utmost importance that the direction of labour and care of unemployment should be coordinated as closely as possible, both from the organisational and from the administrative points of view. Where for technical reasons cases of unemployment occur, the unemployed person is given training and assistance out of the funds of the Ministry of Social Welfare, to which undertakings and employed persons contribute at the rate of $\frac{1}{2}$ per cent. of total wage payment, and the State at an equal rate. The national insurance scheme, as can be seen, is thus consistent with the principle of full employment.

The fact that National Insurance has been designed for a system of full employment, has found its expression also in the construction of widow's pension benefit.

It may be said, on the whole, that national insurance is likely to prove the most significant of all the developments that influence the distribution of national income in my country.

The last problem from the economic point of view is whether the bodies liable to pay insurance contributions are to be entitled or allowed to transfer this burden. Here, two kinds of cases must be distinguished.

In the case of self-employed persons insurance cannot be viewed as a form of expenditure, but as another form of saving, as we tried to show above.

In the case of persons employed under service contract, the Act provides that the employer shall be liable to pay contributions in respect of them, but it is prescribed in the transitional provisions that the present method of sharing the liability between employer and employee shall be preserved for the time being. There is thus no question of a sudden departure from present practice or any likelihood of a sharp rise of insurance contributions expenditure implying a rise in the cost of production.

Czechoslovak price policy is sufficiently controlled, so that the slight rise in production costs will not show in prices, but will on the contrary exercise a beneficial influence and reduce other items in costing. This consideration, it may

be added, served as the basis for the Central Planning Commission's judgment regarding the influence of the scheme on production costs.

V. FUTURE OUTLOOK

In conclusion, I should like to sketch the future outlook of Czechoslovak national insurance.

Just as production cannot be planned successfully merely by legal provisions, the redistribution of income through national insurance cannot rest on legislation alone; as the success of production depends on the morale and understanding of each worker, this redistribution of the national product rests on the morale of the conscientious citizen. We in this country who have experienced the German occupation and the years 1945 and 1948, firmly believe that the working class will thus grasp the significance of national insurance, and realise the interdependence between the benefit of the individual and that of all other individuals, and the interest of society. It certainly has been no part of the idea behind the National Insurance Act to make of the Czechoslovak people a "nation of pensioners". The working discipline and the enthusiasm of our people is already providing clear evidence of a general social re-education. This is demonstrated by the constantly growing volume of production, by the rate of participation in voluntary working brigades, by competition in factories, offices and in the fields. We are satisfied that the awareness of our people has reached a level which makes nonsense of all fears of abuse.

Therefore, we view the present Act only as the beginning of the development of national insurance in this country. With the growth and development of production, the scope of national insurance will also be extended. The share in the national income planned in the Five-Year Plan for national insurance is a guarantee of this. Workers have therefore every reason to feel secure, for every increase in production directly implies more and better care of the sick, the aged, of widows and orphans. While we are aware that presently benefit both in cash and in kind ought to be increased, we prefer, for the future, to concentrate on the latter. As for cash benefit, the only problem

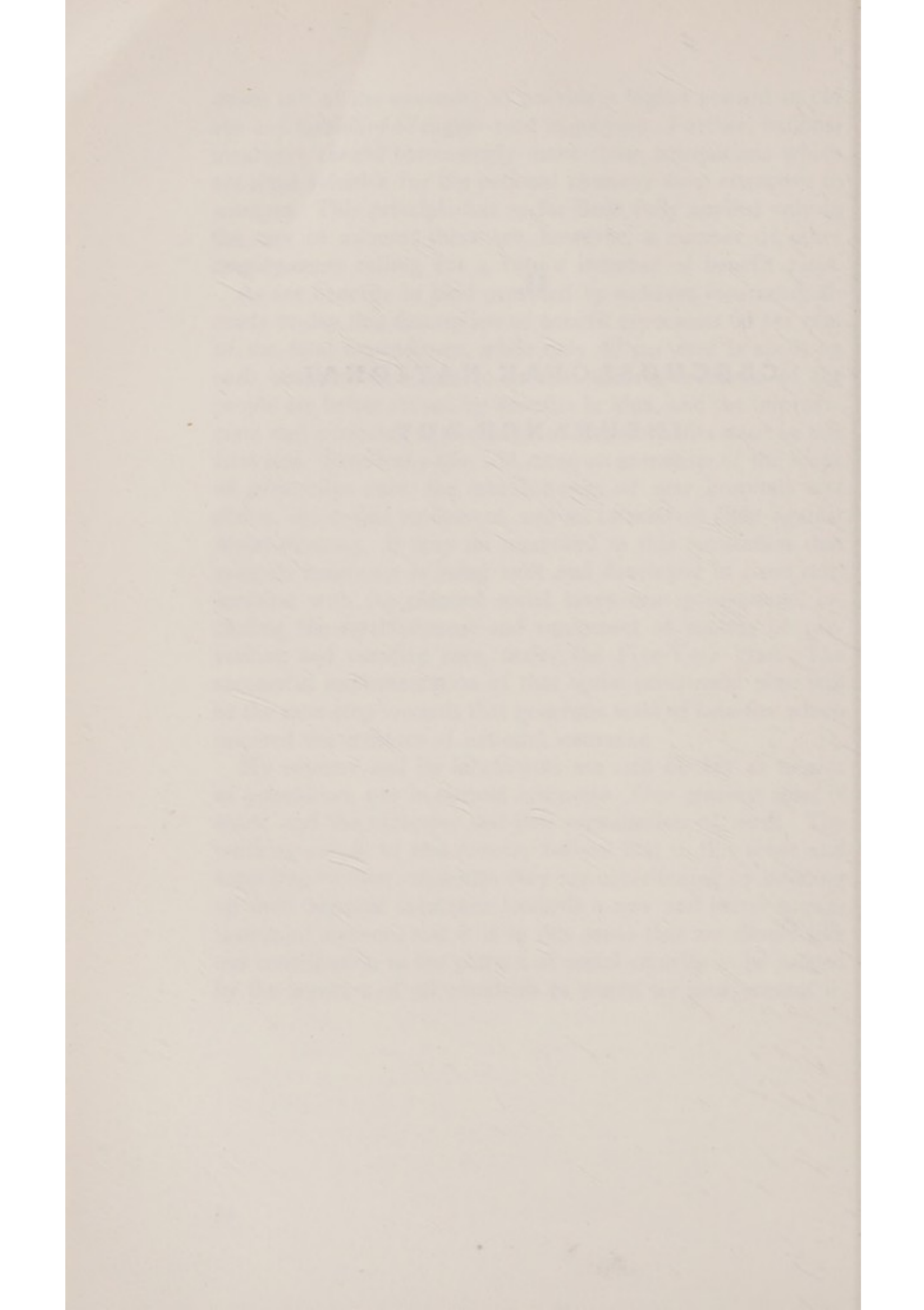
arises out of the necessity to provide a higher reward in old age and disability to higher-paid employees. Further, national insurance should increasingly make those occupations which are most valuable for the national economy most attractive to workers. This principle has so far been fully applied only in the case of miners; there are, however, a number of other employments calling for a future increase of benefit rates.

As for benefits in kind provided by sickness insurance, already to-day this description of benefit represents 60 per cent of the total expenditure, while only 40 per cent is spent on cash benefits. It seems to us that the requirements of the people are better served by benefits in kind, and the improvement and extension of the scope of these benefits must be our first aim. Practically this will mean an extension of the scope of preventive care, the establishment of new hospitals and clinics, up-to-date equipment, and an intensified fight against social diseases. It may be remarked in this connection that national insurance is being built and developed in close conjunction with the planned social investment programme, including the establishment and equipment of centres of preventive and curative care, under the Five-Year Plan. The successful implementation of that social investment plan will be the next step towards that generous scale of benefits which inspired the creators of national insurance.

My country and its inhabitants are rich neither as to size of population, nor in natural resources. Our greatest asset is work, and the effective and just organisation of work. The working people of this country believe that in this sense and according to their capacities they are contributing by building up their national insurance towards a new and better organisation of society; and it is in this sense that we should like our contribution to the pattern of social security to be judged by the workers of all countries to whom we now present it.

II.

CZECHOSLOVAK NATIONAL
INSURANCE ACT



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ACT: NATIONAL INSURANCE

(Zákon ze dne 15. dubna 1948 o národním pojištění č. 99
Sbírka z. a n., dne 15. května 1948, částka 41, str. 855)

ACT RELATING TO NATIONAL INSURANCE No. 99, DATED 15th APRIL 1948

PART I

GENERAL PROVISIONS

1.

Contents of the Act

This Act provides for national insurance in respect of

- a) sickness and maternity (sickness insurance),
- b) old age, disability, accident and loss of bread-winner by death (pension insurance).

DIVISION 1

2.

(1) There shall be liable for insurance under this Act:

- a) employed persons (section 3), with the exception of warrant officers and officers of the armed forces on active service,

- b) self-employed persons (section 4),
- c) persons in family employment, being members of the family of a self-employed person (section 5),
- d) pensioners (section 8),
- e) unemployed persons (section 9).

(2) Of the classes cited in subsection 1, there shall be liable for insurance in respect of sickness and maternity only [section 1, paragraph a)]:

- a) persons in the civil service (section 7),

- b) pensioners (section 8),
- c) unemployed persons (section 9).

3.

(1) Employed persons for the purpose of this Act shall be persons who in the Czechoslovak Republic are gainfully occupied under a private or public contract of employment (contract of service), or under a contract of apprenticeship (as improvers or probationers).

(2) For the purpose of this Act employed persons shall also be deemed home-workers, being persons who, outside the business premises of an employer, carry on work by way of trade to the order of one or more employers. Home-workers shall further be deemed persons who, though entitled to carry on a trade independently, carry on work of a prevailingly home-work character to the order of one or more employers, while not employing other assistant workers, and who are otherwise only to a lesser extent gainfully occupied in a self-employed capacity.

(3) For the purpose of this Act employed persons shall further be deemed agents employed on a commission basis, even where these are not employed under a contract of employment, and even when they are entitled to carry on an independent trade, provided that they carry on no other gainful occupation and do not employ assistant workers.

(4) Where an employed person is temporarily employed outside the territory of the Czechoslovak Republic, such employment shall not affect that person's liability for insurance. This provision shall apply to persons in the employment of the Foreign Service of the Czechoslovak Republic abroad; further to persons in the employment of the Czechoslovak state railways, of Czechoslovak air transport undertakings and of Czechoslovak river and sea shipping transport undertakings, even where such persons are permanently employed outside the territory of the Czechoslovak Republic, provided only that they are Czechoslovak citizens. The

Ministry of Social Welfare may, however, after consultation with the Central National Insurance Institution, exempt such persons from liability to insurance where they are insured subject to the regulations of the State within the territory of which they are employed.

4.

Self-employed Persons.

(1) For the purposes of this Act, self-employed persons [section 2, subsection 1, paragraph b)] shall be employers (joint contractors) who in the Czechoslovak Republic personally carry on an undertaking on their own account, such as, in particular:

a) farmers,

b) tradesmen,

c) persons engaged in a profession, such as doctors, advocates, public notaries, pharmacists, civil engineers, veterinaries, private teachers, artists, composers, authors, musicians, and others.

(2) As joint contractors shall be liable for insurance in particular:

a) public partners of commercial companies and personally liable partners of companies (komanditní společnosti, komanditní společnosti na akcie) as well as managers of limited liability companies,

b) partners of companies under the civil law, except insofar as such persons are liable for insurance under section 2, subsection 1, paragraph a), in respect of employment in the undertaking of which they are joint contractors.

5.

Persons in Family Employment.

(1) Persons in family employment [section 2, subsection 1, paragraph c)] shall be parents, father-in-law, son-in-law, widowed daughter-in-law, unmarried wife, brothers and sisters, children (legitimate, illegitimate or adopted) above the age of 15, living in joint house-

hold with the employer (joint contractor), providing the said persons are permanently engaged in the employer's undertaking, replacing an otherwise essential worker, and provided that the said members of the family are not liable to insurance under section 2, subsection 1, paragraph a) or b).

(2) Where members of the said employer's family are employed in the said undertaking, who are liable for insurance under subsection 1 of this section, that person among them who manages the said undertaking shall be deemed a self-employed person under section 4, subsection 1, the other such persons being insured under accordance with the provisions of subsection 1 of this section. In the event of doubt the following shall be deemed to manage an undertaking, in this order: husband, widower (or widow), or the oldest member of the family.

(3) The wife of an employer (joint contractor) or of a person in family-employment shall not be liable for insurance under section 2, subsection 1, paragraph b) and c) in respect of services rendered in the former's undertaking.

6.

(1) The provisions of the first sentence of section 3, subsection 4, shall apply also to self-employed persons (section 4) and to persons in family employment (section 5).

(2) Government Orders may further define the terms: employer, joint contractor, self-employed person, person engaged in a profession, personal activity in an undertaking (section 4, subsection 1), as well as the terms: permanent employment in an undertaking, and replacement of a worker (section 5, subsection 1).

7.

(1) Persons in the civil service within the meaning of section 2, subsection 2, paragraph a) shall be:

a) persons in the employment of the State, as well

as in the employment of undertakings, institutions and funds owned or administered by the State,

b) teachers under the provisions of the Act of 24th June 1926, No. 104 Sb., relating to the regulation of pay and conditions of service of teachers of elementary and secondary schools,

c) persons in the employment of the self-governing local administration,

d) ministers of religion (section 1 of the Government Order of 17th July 1928 relating to the regulation of pay of the clergy), of religious bodies and associations recognised by the State and who perform the duties of public ministers of religion with the consent of the department concerned, as well as teachers of theological institutes having ordinary superannuation claims by virtue of their function.

(2) The Government may by Order exempt from the liability for pension insurance other persons in the civil service who are subject to such superannuation schemes as apply to persons set out in the foregoing subsection. The Central National Insurance Institution may, in agreement with the united trade union organisation and at the request of the local government authority, grant permission that the employees of the said local authority should not be exempted from pension insurance, even where the provisions of the foregoing subsection apply, such permission being applicable to all employees of the local authority and irrevocable.

(3) The Government shall make provision by way of Order in respect of the transfer of persons from insurance under this Act to the public superannuation scheme and vice versa.

8.

Pensioners under section 2, subsection 2, paragraph b) shall be

a) persons in receipt of a pension under this Act or under the formerly valid provisions of the public pension insurance; persons in receipt of accident benefit

only provided that their earning capacity has been reduced by at least one-half;

b) persons in receipt of superannuation benefit out of public pension funds or persons in receipt of recurrent charitable gifts or allowances out of public funds, save for persons in receipt of military pensions;

c) persons in receipt of assistance under the Act of March 18th 1921, No. 130 Sb., relating to the maintenance of former employees of large landed property, and under the Act of January 30th, 1947, No. 16 Sb., relating to the maintenance of persons employed on confiscated agricultural property and members of their families, providing such persons are permanently resident within the territory of the Czechoslovak Republic and are not liable for insurance under section 2, subsection 1, paragraph a) to c).

9.

Unemployed Persons

Unemployed persons [section 2, subsection 2, paragraph c)] shall be persons in receipt of cash benefit in respect of unemployment under the provisions of the labour administration regulations.

10.

Insurance of Persons Carrying on Several Occupations

(1) A person employed at one and the same time in the employment of several employers shall be insured in all employments. This provision shall apply, *mutatis mutandis*, where a self-employed person is self-employed in several capacities or where an employed person is also at the same time occupied in a self-employed capacity.

(2) Persons farming their own or rented land the area of which does not exceed 1 hectare and the yield of which serves exclusively for consumption in their

own household shall not be liable for insurance in respect of the foregoing occupation, provided that such persons are otherwise liable for insurance under the provisions of this Act.

11.

Exemption from Liability for Insurance

From liability for insurance under section 2, subsection 1 shall be exempt

a) foreign citizens in the employment of the representatives of a foreign power on the territory of the Czechoslovak Republic, or persons enjoying diplomatic privileges and extra-territorial rights, as well as persons in the employment of international organisations, institutions and organs in the territory of the Czechoslovak Republic enjoying extra-territorial rights;

b) persons employed in the Czechoslovak Republic in a temporary capacity and in the service of an employer the permanent residence or place of work of whom is not in the Czechoslovak Republic, as also self-employed persons the permanent residence or place of business of whom is not in the Czechoslovak Republic;

c) persons rendering occasional services of a kind which is otherwise insurable. Occasional work or services shall be deemed casual or non-recurrent employment not exceeding than seven days in the service of one and the same employer. Casual employment shall not, however, be deemed the employment of persons who render services to several employers in turn.

DIVISION 2

Compulsory Insurance

12.

Liability for insurance shall begin:

a) in respect of employed persons (sections 3 and 7) on the day of entering employment;

b) in respect of self-employed persons (section 4), and in respect of persons in family employment (section 5) on the day on which such persons begin the insurable occupation;

c) in respect of pensioners (section 8), on the day on which a pension is awarded,

d) in respect of unemployed persons (section 9) on the day on which pecuniary assistance in respect of unemployment is awarded.

13.

Liability for insurance shall cease:

a) in respect of employed persons on the day on which the contract of employment or service is terminated,

b) in respect of self-employed persons and in respect of persons in family employment on the day on which such persons cease to carry on the insurable occupation; in respect of persons in family employment further also on the day on which they become liable for insurance subject to the provisions of section 2, subsection 1, paragraph a) or b),

c) in respect of pensioners on the day on which pension benefit ceases to be paid or on which such persons become liable for insurance under section 2, subsection 1,

d) in respect of unemployed persons on the day on which unemployment benefit ceases to be paid.

14.

Employers

(1) An employer for the purpose of the Act shall be a person on whose account an employed person carries on the insurable occupation (sections 3 and 7).

(2) The liability of an employer under the provisions of this Act shall be incurred in respect of the insurance of persons cited in sections 4 and 5 also by a self-em-

ployed person and in respect of pensioners by the body paying the benefit;

(3) Joint contractors, subcontractors and intermediaries (middlemen, factors) shall be jointly accountable in respect of the liability of employers or self-employed persons.

(4) The employer may specify to the insurance institution under section 218 a person responsible for the timely and proper making of statements such as the employer is liable under this Act to make; he shall be liable to do so at the request of the insurance institution if he does not reside at the place of work or where the employer is a body corporate. The employer shall however be accountable for the commissions and omissions of the aforesaid person.

Registration

15.

(1) An employer shall be liable to register persons in his employment who are liable for insurance within a period not exceeding seven days after the day on which employment begins and to register such persons as having left within the same period after the day on which the contract of work is terminated.

(2) The employer shall be deemed to have satisfied the liability for registration providing he despatches the notice of registration prescribed by the foregoing subsection within the prescribed period by letter post or by telegraph. The notice of registration having been despatched by telegraph, such notice shall be made out on the proper form within a period not exceeding three days thereafter.

(3) Where an employer is in doubt as regards the liability for insurance of a person in his employment he may at the same time as registering the employed person declare in writing and giving his reasons for the doubt that he denies the liability for insurance of the said person. Where a valid decision shall be made that

the said person is not liable for insurance, the insurance company shall be liable to refund any contributions already paid, subject to deduction of any benefit already paid (section 134).

(4) Where an employer does not satisfy the liability under subsection 1 of this section, the employed person concerned shall be entitled to register himself. The said employed person shall be similarly entitled to furnish all other notices himself, without prejudice to the employer's liability. Where an employed person avails himself of this right he shall be accountable for the accuracy of his statements. An employed person may also be registered by a third person. The insurance company may also decide in respect of an employed person's liability for insurance *ex officio*.

(5) Self-employed persons shall be liable to register themselves and members of their family in family employment within the period prescribed in subsection 1 of this section, after the beginning of the insured period. Within the same period such persons shall be liable to register themselves or members of their family in family employment as having left. The provisions of subsections 3 and 4 of this section shall, *mutatis mutandis*, apply to such persons.

(6) Where an employed person is employed by several employers, all such employers shall be subject to the liability for registration set out in subsection 1 of this section. Where a self-employed person is self-employed in several capacities he shall be liable to set out in his notice of registration all these capacities. A self-employed person shall be liable for registration under section 2, subsection 1, paragraph b), even when employed also in an insurable employment under section 2, subsection 1, paragraph a).

(7) The body paying pension benefit [section 8, paragraphs b) and c)] shall be liable to register the pensioner within the period set out in subsection 1 of this section from the day on which authority granting or withdrawing the pension was issued.

(8) Notice of registration shall be made on the proper form, the contents of which shall be prescribed by the Ministry of Social Welfare after consultation with the Central National Insurance Institution by way of Notification in the Official Gazette.

16.

(1) Persons liable for registration under section 15 shall be liable to report to the insurance institution all changes in the employer's name and place of business and any changes in the names of insured persons. Such persons shall further be liable to report to the insurance company such other facts as may be decisive for the purpose of insurance in pursuance of the directives which shall be issued by the Ministry of Social Welfare after consultation with the Central National Insurance Institution by way of Notification in the Official Gazette.

(2) Persons employed or self-employed in agriculture shall be liable to notify within the period from January 1st to January 31st of each year all changes of area of their agricultural undertaking as well as any other circumstance decisive for the purpose of determining the basis of assessment (section 20).

17.

(1) Employed persons (section 3) shall report to the employer in time all circumstances necessary to satisfy the liability for registration under sections 15 and 16.

(2) The provisions of the foregoing section shall apply, *mutatis mutandis*, to pensioners in respect of the body paying pension benefit.

18.

If registration has not been made within the period prescribed in section 15, subsection 1, the insurance society may require the body liable to pay contribution to pay the sum of Kčs 5.— in respect of each person liable for insurance and not registered under

the said provision and in respect of each day as from the first day of the insurable employment to the day on which the registration is received by the insurance institution, or to the day on which the registration is handed in at a post office as registered mail.

(2) If registration has not been made within the period prescribed in section 15, subsection 1, and if, before it is made, a claim arises for sickness benefit, the insurance institution shall be entitled to require the body paying contribution to pay in lieu of the amount payable under the foregoing subsection of this section, by way of compensation for the cost of the benefit awarded, a sum not exceeding Kčs 3000.—.

(3) The insurance institution shall decide in respect of the liability to pay the amount set out in subsections 1 and 2 respectively by award, and shall recover the said amount as contributions.

19.

If a person has not been registered as having left within the period prescribed in section 15, subsection 1, the body liable for paying contributions shall be liable to pay to the insurance institution the amount of Kčs 5.— in respect of each day as from the day on which the liability for insurance ceased, up to the day on which the insurance society receives the registration, or up to the day on which such notice is handed in at a post office as registered mail, or on which the insurance institution becomes aware that the registration has not been made, up to a sum not exceeding Kčs 300.— in respect of each insured person. The provisions of section 18, subsection 3 shall, *mutatis mutandis*, apply to cases under this section.

20.

Basis of Assessment

(1) The basis for the assessment of contributions and rates of benefit for the purpose of this Act shall be the total remuneration of an employed person in respect of services rendered under contract of work. In addi-

tion to wage (salary), there shall be taken into account for this purpose in particular also the training allowances of apprentices, shares of profit, lodging allowances, allowances in respect of active service, functional allowances and any other allowances of whatever kind, with the exception of allowances in respect of children otherwise unprovided for, variable emoluments (premiums, commission and other pay, depending on the success of work), travelling expenses to the extent of one-third, seasonal bonuses with the exception of annual and New Year bonuses, as well as other bonuses which the employed person receives, even if only by custom from the employer or a third person in lieu of wages or in addition thereto, and payments in kind. The income of an employed person not in receipt of bonus payments in cash or kind shall be deemed the upper limit of the basis of assessment of the first class in accordance with the provisions of section 36, subsection 2. The basis of assessment in respect of civil servants shall be prescribed by Government Order in pursuance of the rules set out in the foregoing sentences of this subsection.

(2) The basis of assessment in respect of self-employed persons, save for farmers, shall be the earnings prescribed by the respective wage notification in respect of employed persons of such qualification as to be able to replace the employer in the management of the undertaking, plus one-fourth thereof, but in any case not less than the income of the highest-paid person employed in the respective undertaking, plus one-fourth thereof.

(3) The annual basis of assessment in respect of farmers shall be established by the Ministry of Social Welfare in concurrence with the Ministry of Agriculture after consultation with the united trade union organisation and the interest association* by means of Notifica-

* *Interest association*—a trade or professional association of national scope, representing the interests of self-employed persons (who are not members of the united trade union organisation). Tr.

tion in the Official Gazette. For the purpose of this basis of assessment there shall be taken into account the area of land, the production region, the quality and degree of cultivation of the soil and the manner of its cultivation. The annual basis of assessment of a farming undertaking of 50 hectares area in a beet-crop region shall be 120,000 Kčs. The area of an agricultural undertaking for the purpose of assessing the annual basis shall be deemed to include cultivated land in the property of the farmer, of members of his family in family employment under section 54, and rented land. The annual basis of assessment in respect of agricultural joint contractors insurable under section 4 shall be prescribed on the basis of the several joint contractors' respective shares in the total area.

(4) The basis of assessment in respect of persons in family employment shall be deemed the earnings equivalent to that due to an employed person replaced by the member of the family in family employment, which shall, however, in no case exceed the basis of assessment in respect of which the employer is insured. The basis of assessment in respect of persons in family employment below the age of 18, being in the employment of a farmer, shall be deemed the amount equivalent to the upper limit of the first class of the basis of assessment under section 36, subsection 2; the basis of assessment in respect of such persons above the age of 18 and below the age of 21 shall be deemed the amount corresponding to the upper limit of the next higher class.

(5) The lowest basis of assessment under the provisions of the foregoing subsections shall be deemed the upper limit of the basis of assessment of the first class under section 36, subsection 2. This provision shall apply to the sum of the bases of assessment in respect of several employments, or, if such sum be smaller, the basis of assessment in respect of the several employments shall be deemed the respective portion of the smallest basis of assessment.

(6) The highest possible basis of assessment for the purpose of insurance under this Act shall be the upper limit of the highest class under section 36, subsection 2. This provision shall equally apply in respect of the sum of bases of assessment in respect of several employments. Where this sum is larger, the insured person may claim not later than March 31st of each year that the insurance institution refund him without interest a sum equivalent to the insurance contributions paid by him in excess of contributions payable, providing such payment was made at this own expense.

(7) The Ministry of Social Welfare may, on the proposal of the Central National Insurance Institution, and in concurrence with the other Ministries concerned, and after consultation with the united trade union organisation and the interest associations, prescribe by way of Notification in the Official Gazette that the earnings of certain classes of insured persons shall be assessed as a lump sum or, as the case may be, prescribe a lump sum derived from third parties to be taken into account for the purpose of assessment.

(8) The Ministry of Social Welfare shall establish for the purpose of assessment the value of payments in kind, by way of Notification in the Official Gazette, on the proposal of the Central National Insurance Institution and after consultation with the supreme price control office and with the united trade union organisation and the interest associations.

21.

Register of Earnings

(1) Employers shall be liable to maintain registers from which the earnings of individual persons in their employment may be ascertained, and to keep such registers available for a period of not less than five years.

(2) Further provision may be made by the Ministry of Social Welfare by way of Notification in the Official Gazette, whereby certain employers may be exempted

from the liability to keep registers, in particular those employing not more than three persons.

The Insurance Institution's Right of Inspection

22.

(1) The employer or his representative shall ensure that the register of wages shall be accessible at any time during working hours to the empowered representatives of the insurance institution. These empowered representatives shall be further entitled to inspect in works and undertakings such other registers and documents as may be significant for the purpose of insurance, to make extracts therefrom and to carry out such investigations at the place of business as are required for the purpose of administering insurance. Such persons shall further be entitled to inspect building licences at the authorities concerned.

(2) Persons empowered by the insurance institution shall be bound to secrecy in respect of the state of undertakings, in particular as regards conditions of production, trade and administration, the number of persons employed, and conditions of work.

(3) For the purpose of exercising the power set out in subsection 1 of this section in military undertakings and in such undertakings as are vital to the defence of the State, the permission of the military authorities shall be required.

23.

If an employer or his representative fails to keep and preserve register of earnings, or if he fails to the extent that earnings cannot be reliably ascertained from the registers kept, or if he refuses access to the said registers to the empowered representatives of the insurance institution, the insurance institution shall be entitled to assess that employer's contributions on the basis of such statements as are available in respect of other insurance periods or on the basis of other investi-

gations. This provision shall apply, *mutatis mutandis*, if an employer or a self-employed person or the representative of such a person fails in the liability set out in section 22.

(2) An employer or self-employed person may appeal against a decision made in pursuance of the provisions of the foregoing subsection only in the event that he can prove the assessment to be in violation of the law or to be based upon evidently incorrect factual assumptions or that the proceedings had been substantially defective.

24.

Application to Special Classes of Persons

(1) For the purpose of the insurance of

- a) home-workers (section 3, subsection 2),
- b) persons employed in turn by various employers,
- c) persons employed in seasonal labour in agriculture and forestry,

d) Czechoslovak citizens employed by employers under section 11, paragraph a),

e) persons employed in shipping undertakings,

directives may prescribe exceptions from the provisions of this Act, so as to facilitate the insurance of such persons, in particular with regard to the beginning and cessation of insurance, the registration of the engagement of such persons or termination thereof, the assessment of the rate of benefit, as well as to the keeping of registers of earnings; directives may further prescribe initial qualifying periods for sickness insurance benefit. Such directives shall be issued by the Central National Insurance Institution after consultation with the united trade union organisation and subject to the sanction of the Ministry of Social Welfare, the sanction being granted, in cases set out in paragraph c) above, in concurrence with the Ministry of Agriculture.

(2) Special provisions may be made by Government Order for the insurance of foreign citizens, and in par-

ticular in respect of the citizens of States which differentiate for the purpose of insurance between the citizens of that State and Czechoslovak citizens.

PART II

INSURANCE BENEFIT

25.

Benefit under this Act shall include

1. sickness insurance benefit (sections 26 to 59),
2. pension insurance benefit (sections 60 to 93),
3. general care of insured persons and their dependants (sections 74 to 101).

DIVISION 1

SICKNESS INSURANCE BENEFIT

26.

(1) Sickness insurance benefit shall include benefit in kind (sections 27 to 36) and benefit in cash (sections 36 to 49).

(2) Benefit in kind shall be of the following descriptions:

1. Treatment and special medical care:
 - a) extra-institution treatment;
 - b) institutional treatment;
 - c) special medical care;
 - d) domestic help;
2. maternity care:
 - a) extra-institutional treatment;
 - b) institutional treatment;
 - c) layette;
3. dental care;
4. care in the event of maiming, disfigurement, and physical defects;
5. care in the event of sterility.

(3) Benefit in cash shall be of the following descriptions:

1. sickness benefit;
2. maternity benefit;

3. hospital treatment allowance;
4. special social diseases benefit;
5. grant in lieu of domestic help;
6. funeral grant.

BENEFIT IN KIND

Treatment and Special Medical Care

27.

Extra-institutional Treatment

(1) Insured persons and the dependants of such persons (section 54) shall in the event of sickness be entitled to free medical treatment, drugs, necessary care and therapeutic and orthopaedic aids. Treatment shall correspond to the contemporary state and standard of medical science and medical equipment and shall be adequate and effective.

(2) Treatment shall be provided throughout the duration of the disease, up to one year after the termination of insurance. Where the duration of the disease exceeds this period no further treatment shall be provided save where the insured person is incapable for work and is granted rehabilitation treatment under sections 100 and 101.

(3) Entitlement to treatment shall begin on the day on which the disease is reported to the insurance institution or to the competent doctor of that institution.

28.

Institutional Treatment

(1) Insured persons and the dependants of such persons shall be entitled, if so required, in lieu and to the extent of the treatment provided under section 27, to free treatment and cure in a public hospital, public maternity home or other public institution of treatment.

(2) The insurance institution may provide for insured persons and the dependants of such persons hospital treatment under section 1 also in non-public institutions

of treatment and in the medical institutions attached to the medical faculties of universities.

(3) Conditions and further details in respect of the provisions of hospital treatment shall be prescribed by the treatment code (section 59).

29.

Special Medical Care

(1) In lieu of the treatment provided under sections 27 and 28 there shall be provided, where it appears necessary in pursuance of the provisions of the treatment code, treatment in a sanatorium, spa, convalescent home or other institution which shall be prescribed by the treatment code.

(2) The insurance institution may provide treatment at an institution under the foregoing subsection so as to obviate or reduce a danger of incapacity for work or of a permanent diseased state involving reduced capacity for work. Such treatment may be provided by the insurance institution also in order to segregate the diseased person from such other person as he may be likely to endanger by virtue of the disease.

(3) In pursuance of the aims set out in the foregoing subsection the insurance institution may provide extra-institutional treatment to the extent set out in section 27, subsection 1.

(4) The manner of special medical care and the conditions subject to which it is provided shall be prescribed by the treatment code.

30.

Conditions of Admission to Hospital

(1) For admission to hospital under sections 28 and 29 the consent of the patient shall as a rule be required. In respect of patients below the age of 18, such consent shall be given by the legal representative, or in urgent cases by the head of the household.

(2) Such consent shall not be required,

a) where the patient does not live in joint household with his dependants,

b) where the disease requires treatment and care which cannot be given to the patient at his place of residence,

c) where the manner of the disease requires institutional treatment, in particular by virtue of being an infectious disease,

d) if the patient acts in violation of regulations issued for the conduct of patients and the supervision thereof, or in violation of the instructions of the doctor in charge,

e) where the condition or conduct of the patient require him to be kept under constant observation,

f) where the diagnosis of the disease requires observation or investigation which cannot be administered save in an institution, in particular where an assessment of the patient's capacity for work is required.

(3) If a patient fails to comply with the instructions of the insurance institution, given in pursuance of the provisions of this Act, requiring him to undergo institutional treatment, or if he interrupts such treatment without the consent of the insurance institution, he may as from that time be deprived of further sickness benefit, or, where the patient has a dependent family, such benefit may be reduced by one-half. The patient shall be informed of this consequence in advance. Details shall be prescribed by the treatment code.

31.

Domestic Help

The insurance institution may provide or in a suitable manner arrange domestic help for the insured person or a dependant of that person who is herself responsible for the care of the insured person's household, and is in charge of not less than one child [section 54, subsection 1, paragraph c) to e)], provided the insured person or dependant is undergoing institutional treat-

ment, or providing she has been confined to bed by the doctor. Such assistance shall not be granted where it may fairly be claimed that the insured person is able to procure such domestic help herself, or where, prior to sickness, a permanent domestic help had been as a rule employed in the household. Such domestic help shall be provided not earlier than on the 15th day after the circumstances constituting the claim therefor have arisen, and for a period not exceeding 365 days. Further conditions and details shall be prescribed by the treatment code.

32.

Maternity Care

(1) An insured person or dependant of that person shall in the event of maternity be entitled to free medical care and to the services of a midwife or obstetric assistant (extra-institutional treatment).

(2) The insurance institution shall further provide treatment in a maternity home or similar establishment (institutional treatment). The provisions of sections 28 to 30 shall apply, *mutatis mutandis*, to such institutional treatment.

(3) The insurance company shall provide layettes, in lieu of which of grant of money may be made. The amount of this grant shall be prescribed by the treatment code.

33.

Dental Care

(1) In addition to the treatment of dental diseases (sections 27 and 28), the insurance institution shall provide for insured persons and the dependants of such persons free dental treatment and replacement of teeth by artificial dentures of simple and adequate quality.

(2) The treatment code shall further define the meaning of the expression: simple and adequate quality of artificial dentures, and prescribe further conditions

and the manner whereby replacement of teeth may be provided by artificial dentures of other than simple quality.

34.

Care in Respect of Maiming, Disfigurement, and Physical Defects

In the event of maiming, disfigurement and physical defects, being detrimental to capacity for work, the insurance institution shall provide for the insured person and for the dependants of that person the requisite aids, and, where required, defray the expenditure of necessary and effective treatment to the same extent as in institutional treatment. Conditions and details shall be prescribed by the treatment code.

35.

Care in the Event of Sterility

An insured person or a dependant of that person shall in the event of sterility be entitled to the medical diagnosis of its cause and to the necessary treatment to the extent set out in sections 27 to 29. Conditions and details shall be prescribed by the treatment code.

BENEFIT IN CASH

36.

Sickness Benefit

(1) An employed person insured under section 2, subsection 1, paragraph a), who is incapable for work as a result of sickness, shall be entitled to sickness benefit as from that day on which he ceases to be entitled to wages (salary), but not later than from the 43rd day of his incapacity for work. Sickness benefit shall be payable throughout the period of the incapacity for work, but not exceeding 365 days, this being the benefit period.

(2) The daily rates of sickness benefit shall be:

Class	In respect of a basis of assessment of Kčs				Sickness Benefit	
	daily		weekly		daily	
	over	under	over	under	annually	Kčs
1	—	20	—	120	—	6,000
2	20	30	120	180	6,000	9,000
3	30	40	180	240	9,000	12,000
4	40	50	240	300	12,000	15,000
5	50	60	300	360	15,000	18,000
6	60	70	360	420	18,000	21,000
7	70	80	420	480	21,000	24,000
8	80	90	480	540	24,000	27,000
9	90	100	540	600	27,000	30,000
10	100	120	600	720	30,000	36,000
11	120	140	720	840	36,000	42,000
12	140	160	840	960	42,000	48,000
13	160	180	960	1,080	48,000	54,000
14	180	200	1,080	1,200	54,000	60,000
15	200	220	1,200	1,320	60,000	66,000
16	220	240	1,320	1,440	66,000	72,000
17	240	260	1,440	1,560	72,000	78,000
18	260	280	1,560	1,680	78,000	84,000
19	280	300	1,680	1,800	84,000	90,000
20	300	320	1,800	1,920	90,000	96,000
21	320	340	1,920	2,040	96,000	102,000
22	340	360	2,040	2,160	102,000	108,000
23	360	380	2,160	2,280	108,000	114,000
24	380	400	2,280	2,400	114,000	120,000

(3) In the case of employed persons the decisive factor determining the rate of sickness benefit shall be the basis of assessment corresponding to the average of earnings (section 20, subsection 1) earned by that person by way of weekly, fortnightly or monthly payments over the last preceding period of 12 weeks, or over the last preceding period of 3 months (where wages are paid in monthly instalments), before the beginning of sickness. No account shall be taken, however, of periods over which the earnings of the employed person are nil or reduced, because the said person fails to attain the same number of working days as the other employees of the establishment where he is employed. In the case of employed persons who at the decisive time complete a period of apprenticeship (as improvers), the earnings of those periods only shall be taken into account throughout which the said person worked as fully-paid employed persons. Where it proves impossible to determine the average of earnings of an employed person over the decisive period, the basis of assessment shall be deemed to equal the earnings of another employed person of equal age in a similar employment and in receipt of the same basic rate of pay. Single payments which for the purpose of this Act are deemed to be earnings (section 20) shall be taken into account in terms of a proportion corresponding to weekly (monthly) periods. Changes of earnings arising subsequent to the beginning of incapacity for work shall always be taken into account where such changes are raises of pay legally ensured under contract prior to the beginning of incapacity, or where the employed person attains upon transfer to the employment of another employer a higher rate of earnings.

(4) Where an employed person is entitled to continued payment of wages (salary) in sickness which is not, however, actually made, sickness benefit shall be payable by the insurance institution as from the day on which payment of wages ceases. The insurance institution shall be liable to inform the employer of this in

advance. The benefit period of 365 days must not, however, be exceeded. The employer shall be liable to refund to the insurance institution all payments made by the insurance institution to the employed person in these circumstances. The insurance institution shall decide in respect of this refund by award. The said refund shall be exacted as contributions. The employed person's entitlement to payment of wages (salary) shall be void to the extent of the total amount of benefit paid.

(5) Persons employed in the public service (section 7) who, in the event of sickness, are entitled to continued payment of salary for a period of not less than one year, shall not be entitled to sickness benefit.

(6) Insured persons under section 2, subsection 2, paragraph b) and c) shall not be entitled to sickness benefit.

37.

(1) A self-employed person (section 4) who, owing to sickness, is incapable of work, shall be entitled to sickness benefit as from the forty-third day of such incapacity, throughout the period of incapacity. Sickness benefit shall be payable during the first 42 days of incapacity only provided that the undertaking of that person has stopped work. The benefit period shall not exceed 365 days.

(2) A person in family employment (section 5) who is by virtue of sickness incapable of work, shall be entitled to sickness benefit beginning on the forty-third day of such incapacity and throughout the duration thereof. The benefit period shall not exceed 365 days.

(3) The rate of sickness benefit of self-employed persons and persons in family employment shall be as set out in section 36, subsection 2, in accordance with the basis of assessment prescribed in section 20.

38.

A period during which insured persons under section 2, subsection 1, do not carry on an insurable occu-

pation by virtue of a quarantine imposed in pursuance of the statutory provisions relating to the combating of contagious diseases, shall, for the purpose of sickness benefit entitlement, be deemed a period of incapacity for work owing to sickness under section 36, subsection 1, and section 37, subsection 1 and 2.

39.

(1) Insured persons shall not be entitled to sickness benefit during a period of institutional treatment.

(2) A period of sickness during which only out-patient treatment in an institution is provided shall not be deemed part of the benefit period.

(3) A period during which institutional treatment is provided shall be deemed part of the benefit period.

40.

If an insured person again becomes incapable for work as a result of sickness, the former benefit period during which that person was in receipt of benefit shall be deducted from the benefit period of 365 days if, and only if, the former period occurred during a time not exceeding one year before the beginning of the subsequent incapacity to work. The said previous benefit period shall, however, on no account be deducted where the insured person has carried on, subsequently to the day on which he was last entitled to sickness benefit, an insurable occupation for a period of not less than the sum-total of all days in respect of which during a period not exceeding one year before the beginning of the renewed incapacity, sickness benefit or institutional treatment had been provided. Similarly no period shall be deducted in respect of which sickness benefit or institutional treatment has been provided as a result of an illness caused by an industrial accident.

41.

Where an insured person becomes entitled to a disability pension (section 63) during a period of incapa-

city for work owing to sickness, that person's entitlement to sickness benefit shall, subject to the provisions of the foregoing sections, continue until the completion of the benefit period.

42.

Sickness benefit shall not be payable until the day on which a certificate of incapacity for work is presented to the insurance institution in the manner prescribed by the treatment code. Where it is evident from the said certificate that incapacity for work began before the insurance institution or the competent doctor was notified, and where it can be proved that timely notice of the said incapacity or presentation of the certificate was impossible, sickness benefit shall be payable in respect of a period not exceeding 14 days prior to the certificate being presented.

43.

Where the period of incapacity for work is in excess of 91 days, the rate of sickness benefit, determined in accordance with the provisions of section 36, shall be increased by 10 per cent for any continued incapacity for work. Where the period of incapacity for work is in excess of 182 days, the rate of sickness benefit shall be increased by 115 per cent above the original rate for the period of continued incapacity.

44.

Maternity Benefit in Cash

(1) Where an insured person or a dependant of an insured person has been confined, she shall be entitled to a maternity grant of Kčs 2500 in respect of each child born.

(2) Insured persons under section 2, subsection 1, paragraph a) to c) and section 2, subsection 2, paragraph a), who within the two years immediately preceding the confinement have been insured over a period

of not less than 270 days, shall be entitled to a maternity allowance at a rate equal to sickness benefit over a period of 18 weeks during which confinement occurred, provided that during this period the said insured person did not carry on an insurable occupation and was not entitled to sickness benefit. This allowance shall not be payable in respect of any days in respect of which the insured person is entitled to payment of wages (salary). The provisions of section 36, subsection 4 shall apply, *mutatis mutandis*.

(3) The allowance set out in subsection 1 of this section shall be payable to the wife or unmarried wife of an insured person also if the latter has died within a period not exceeding 300 days prior to the confinement.

Hospital Treatment Allowance

45.

(1) The dependants of an insured person shall be entitled in respect of any period during which the latter is undergoing treatment at a public hospital, public maternity home or other institute of treatment as prescribed by the treatment code, to an allowance at the rate of the sickness benefit payable to the insured person (section 36, subsections 1 to 4 and section 43).

(2) Where an employed person undergoing treatment is without dependants he shall be entitled to an allowance at a rate of one half of the sickness benefit, but not exceeding Kčs 20.— per day. This maximum rate may be increased by the treatment code up to a limit of Kčs 30.— per day.

(3) The allowance set out in subsections 1 and 2 of this section shall be payable in respect of a period from the first day of the treatment and throughout the period of treatment. This allowance shall not be payable in respect of any period during which the insured person is in receipt of maternity benefit.

(1) The insurance institution may, in respect of a period during which an employed person is undergoing treatment in a health resort or institute of treatment other than those set out in section 45, and if required with a view towards the social and financial circumstances of the family of that person, pay the dependants of that said person an allowance at a rate not exceeding the rate of sickness benefit payable to that person.

(2) Where an insured person under section 2, subsection 1, paragraph b) or c) is undergoing treatment in an institution or in a spa as set out in section 28, subsection 1 and 2, the insurance institution may, in cases deserving special consideration and with a view towards the social and financial circumstances of the family of that person, render cash assistance to the dependants.

(3) Further conditions and the rate of the allowance and assistance shall be prescribed by the treatment code.

Special Care in Respect of Social Diseases

The treatment code may provide that special benefit in cash shall be payable to persons afflicted with a social disease, and may prescribe the conditions and rate thereof.

Allowance in Lieu of Domestic Help

(1) In lieu of domestic help under section 31 the insurance company may provide an allowance at a rate not exceeding Kčs 30.— per day.

(2) The rate of benefit shall be increased by Kčs 10.— per day in respect of a third child and every further child below the completed 14th year of age.

The rate of benefit may not, however, exceed the rate of sickness benefit (sections 36 and 43) which would be payable to the insured person.

(3) Further provision shall be made by the treatment code.

49.

Funeral Grant

(1) Where an insured person has died during a period in which he was entitled to any of the benefits of sickness insurance, or within a period not exceeding six months after the day on which the payment of sickness benefit ceased, the surviving dependants of that person who have provided the funeral of the deceased shall be entitled to a funeral grant at the rate of Kčs 5000.—. Dependants shall be a husband (unmarried husband), wife (unmarried wife), children, parents, grand parents, brothers and sisters, father-in-law, mother-in-law, brother-in-law and sister-in-law of the deceased.

(2) Where none of the persons under the preceding subsection of this section has provided the funeral of the deceased, that person or body corporate shall be entitled to the funeral grant who has provided the funeral at his own expense, not being liable to do so by law or by contract. In this latter case funeral grant shall be payable at the actual rate of expenses incurred in connection with the funeral, but in no case in excess of Kčs 2500.—. The difference (if any) shall be payable to the dependants of the deceased in the order set out, provided that they lived in joint household with the deceased at the time of his death.

(3) Where an insured person provides the funeral of a dependant, a funeral grant shall be payable to the said insured person, at the rate of Kčs 500.— in respect of a deceased dependant below the age of 2 years, at the rate of Kčs 1000.— in respect of a deceased dependant below the age of 14, and at the rate of Kčs 1300.—

in respect of all other dependants; but in respect of a wife or unmarried wife, at the rate of Kčs 1500.—.

50:

The Government may by way of Order adjust the rates of benefit in cash of sickness insurance at variance from the provisions of the foregoing sections, as well as the classes and limits of the bases of assessment (section 36, subsection 2) whereby such rates are determined.

51.

The Minister of Social Welfare may on the proposal of the Central National Insurance Institution and after consultation with the united trade union organisation and the supreme interest associations prescribe by Notification in the Official Gazette that there shall be payable in addition to the cash benefits of sickness insurance under the foregoing provisions other benefits for the purposes of health insurance. Such introduction of new benefit shall be conditional upon sufficient funds being available in the reserve fund (section 203) and upon the economic situation with a view towards the economic plan (section 200) permitting such introduction.

GENERAL PROVISIONS AS TO SICKNESS BENEFIT

52.

Protected Period

(1) A person shall be entitled to sickness insurance benefit provided that the circumstances upon which the payment of benefit is conditional arise during a period of insurance or during the protected period.

(2) The protected period in the case of employed persons shall be a period subsequent to the lapse of insurance, equal to the insured period but not exceed-

ing six weeks following the termination of employment.

(3) The provisions of subsection 2 shall, *mutatis mutandis*, apply also to self-employed persons and to persons in family employment, such persons having ceased to carry on the insurable occupation.

(4) The provisions of subsection 2 of this section shall apply, *mutatis mutandis*, to pensioners (section 8), where the protected period shall be deemed to expire upon expiration of a period not exceeding six weeks after termination of insurance.

(5) Where a person begins to carry on an insurable occupation during the protected period, the protected period shall be deemed to begin upon the termination of that occupation. The protected period shall likewise be deemed to begin upon the completion of military service (military exercise). The protected period gained by new insurance shall be added to the remainder of the former protected period up to a maximum period of six weeks.

(6) In the case of an insured person (section 3) who has left employment by virtue of pregnancy or has ceased by virtue of pregnancy permanently to carry on an insurable occupation [section 2, subsection 1, paragraphs b) and c)], the protected period shall always be a period of six months.

(7) For such time as an insured person is entitled to claim sickness insurance benefit, the dependants of that person shall be equally entitled.

53.

Persons Carrying on Several Occupations

(1) Where an insured person carries on, at one and the same time, more than one insurable occupation, benefit shall not be payable more than once. The rate of such benefit shall be determined by the sum of all bases of assessment without prejudice to the provisions relating to the beginning and to the conditions of en-

titlement in respect of the several occupations, so that the rate of benefit shall be determined in respect of more than one basis of assessment only as and from such time as the insured person becomes entitled to benefit in respect of more than one insurable occupation.

(2) Where an insured person carrying on several insurable occupations has ceased to carry on one of those occupations, the protected period in respect of that occupation and any claims arising out of that occupation shall be deemed to be valid, notwithstanding that the said person continues to be insured in respect of one or more other insurable occupations.

54.

Dependants of Insured Persons

(1) Dependants for the purpose of this Act shall be deemed the following, providing they live in joint household with the insured person and are not themselves insured under this Act:

- a) wife (husband),
- b) a woman (man) living as a wife (husband), providing she has been living in joint household with the insured person over a period of not less than six months prior to the beginning of benefit,
- c) legitimate and illegitimate children, step-children and adopted children below the completed 16th year of age,
- d) children within the ages of 16 to 25, providing such children are engaged in systematic preparation for a profession by way of study or other training,
- e) children irrespective of age, providing such children are unable by virtue of a physical or mental defect to support themselves by work, or providing an education allowance (section 68) is paid in respect of them.

(2) Dependants of an insured person shall be deemed further, provided that they are not themselves insured subject to the provisions of this Act, and provided also

that they live in joint household with the insured person and are wholly or chiefly dependent upon him for support:

a) parents, grand-parents, parents-in-law,

b) foster-children, brothers and sisters, and grandchildren, subject to the conditions set out in subsection 1, paragraphs c) to e) of this section, provided that they have been living in joint household with the insured person for a period of not less than six months prior to benefit becoming payable,

c) a sister or daughter of an insured person who is in charge of the household of that person and has been living in joint household with the said person for a period of not less than six months prior to benefit becoming payable,

d) the divorced wife or husband of an insured person provided that the said insured person is liable for her (or his) maintenance.

(3) The condition of living in joint household with an insured person shall be deemed to have been satisfied where a wife (husband) of an insured person lives apart from him by virtue of the requirements of the education of children, or a housing shortage, or for health, financial, educational, or other compelling reasons.

(4) The condition of living in joint household with an insured person shall not be posed in relation to the parents, grand-parents, parents-in-law, or the divorced wife (husband) of that person.

Medical Service

55.

(1) Insured persons shall be entitled to medical treatment by a doctor freely chosen from among the doctors under contract to the insurance institution (section 197), being the organised free choice of doctor.

(2) The provision of the free choice of doctor shall

not be deemed to have been violated where such choice is restricted, by the insurance institution, by way of provision in the treatment code to a choice from among doctors practising within a certain district, or where the insurance institution makes a change of doctor during one and the same course of treatment in respect of one and the same disease conditional upon the consent of the insurance institution. The insured person shall, however, be ensured the opportunity of seeking medical help from a doctor other than the doctor competent in accordance with the foregoing provisions of this section in special cases set out in the treatment code.

(3) An insured person who does not comply with the provisions of subsections 1 and 2 of this section, or with the provisions of the treatment code enforcing the said provisions, shall be liable to defray any additional expenses arising out of the treatment.

(4) Where it is not possible to provide medical treatment by way of the organised free choice of doctor under subsections 1 and 2 of this section, for personnel or other reasons, the insurance institution may, for as long as the impediment lasts, provide medical treatment at variance to the said provision by way of provisional measures.

(5) The insurance institution shall not defray expenditure arising out of an insured person being treated privately or by a doctor other than the doctor competent in accordance with subsection 2 of this section, except in respect of first-aid treatment or where the treatment has been provided in respect of a special case under subsection 2 of this section, and provided that the insured person applies to the insurance institution for the payment of the expenses thus incurred. In the latter event the insurance institution shall be liable for expenses not exceeding the fee which the insurance institution would normally pay to a doctor under contract.

(6) The provisions of the foregoing subsections of

this section shall equally apply to the dependants of an insured person.

56.

Without prejudice to the provisions of section 27, subsection 1, an insured person or dependant shall have no legal claim to medical or institutional treatment or to a specific manner of treatment demanded by the said insured person or a dependant of that person.

57.

(1) The insurance institution shall defray expenses arising out of necessary transport of an insured person from his residence by the cheapest class of public transport, to the nearest suitable hospital or institute of treatment, maternity home, or mental home, and back. Expenses arising out of transport by another than public means of transport shall be payable by the insurance institution only where such means of transport is necessary.

(2) A suitable hospital shall be deemed to be the hospital nearest to the insured person's place of work or residence, or to the place where the disease occurred, and which is so equipped as to provide treatment consistent with the provisions of section 27, subsection 1.

(3) The treatment code shall prescribe on what conditions and up to what amount the insurance institution may meet transport expenses in respect of cases other than those set out in subsections 1 and 2 of this section and in which cases and on what conditions the insurance institution may meet the expenses incurred in connection with transport to other institutes of cure and to spas.

(4) The insurance institution shall, on the conditions prescribed by the treatment code, defray expenses arising out of the transport of patients to a medical examination ordered by a doctor, and to periodic examinations.

(1) The insurance institution shall be entitled to supervise patients by way of its confidential doctors and to supervise patients by other persons empowered thereto by the insurance institution, and also by visits to the homes of patients.

(2) If a patient refuses to submit to supervision under subsection 1 of this section, or if he does not conduct himself in accordance with the provisions of the treatment code, he may be deprived of benefit wholly or partly. The patient shall be informed of this eventuality in advance.

(3) Where a patient has been deprived of sickness benefit under subsection 2 of this section, the dependants of that patient shall be entitled to benefit at a rate not less than one-half of the rate of benefit.

Treatment Code

(1) The Central National Insurance Institution shall issue a treatment code after consultation with the united trade union organisation and the interest associations, and subject to the approval of the Minister of Social Welfare and of the Minister of Health.

(2) The treatment code shall prescribe the manner of administration of benefit and the duties of insured persons, employers, and of doctors and other organs of the health service under the benefit scheme.

(3) The treatment code shall further prescribe, in particular:

a) the manner and conditions on which benefit in kind shall be administered, as well as the conditions on which travel expenses shall be payable by the insurance institution,

b) on what grounds and to what extent treatment by specialists shall be provided,

c) the manner in which notice of incapacity for work

shall be made and in which a claim for benefit shall be lodged,

d) the liability of the insured person, the doctor and the employer to report cases of sickness, accident and the beginning and end of incapacity for work,

e) the extent of the insurance institution's liability to pay expenses incurred in connection with disinfection made necessary by an infectious disease,

f) the conditions on which artificial dentures may be provided of other than simple quality,

g) the part played by the insurance institution in the carrying out of preventive care,

h) the conditions, manner and extent of carrying out rehabilitation care of persons with reduced capacity for work,

i) the conditions on which compensation shall be payable by the insurance institution, and the rate thereof, to a patient outside the territory of the Czechoslovak Republic in respect of expenditure arising out of essential treatment and defrayed by the patient himself.

DIVISION 2.

PENSION INSURANCE BENEFIT

60.

(1) There shall be payable under pension insurance, as follows:

- a) old age pension benefit,
- b) disability pension benefit,
- c) housewife's pension benefit,
- d) widow's pension benefit,
- e) unmarried widow's pension benefit,
- f) orphan's pension benefit,
- g) marriage grant,
- h) industrial accident insurance pension benefit,
- i) social benefit.

- (2) There shall be payable, in addition:
- a) education allowance,
 - b) supplement in respect of total helplessness.

61.

Basic Conditions for Benefit

(1) In order to be entitled to any benefit set out under section 60, subsection 1, paragraphs a) to g) the insured person shall be required to have been insured during a period of five years preceding the relevant time (section 90, subsection 1) or prior to his death, for a period of not less than four years.

(2) Where the insured person has been insured for not less than one year the following credited periods shall be deemed to equal the period prescribed in subsection 1 of this section, provided such credited periods occur during the period of five years prescribed in subsection 1 of this section:

a) a period of study at a secondary, technical or university school not before completion of the 15th year of age and not later than completion of the 25th year of age, and above that age, study at a technical or trade school. Where such study has been interrupted by military service, the periods set out in the foregoing sentence shall be extended by the duration of that military service;

b) a period of service in the Czechoslovak or allied armies, served for any reason whatever, as well as a period of service in the armed forces (section 3 of the Act No. 193 Sb., relating to the armed forces of the Czechoslovak Republic, dated March 13th, 1920, and sections 66 and 67 of the Act No. 131, Sb., relating to the defence of the State, dated May 13th, 1936) provided the insured person has been prevented thereby from carrying on his profession;

c) a period of unemployment for which the insured person was not responsible, provided the conditions posed by the regulations relating to direction of labour

have been satisfied in relation to the said insured person ;

d) a period of incapacity for work during which the insured person has been entitled to sickness insurance benefit ;

e) a period during which the insured person has been in receipt of periodical benefit in cash under national insurance ;

f) a period of married life of an insured person being a woman, which was later terminated by the death of the husband, divorce or separation, or a period during which the insured person, being a woman, cared for not less than two children below the age of eight years, provided that such periods were preceded by an insured period of not less than one year.

(3) Where an contribution period coincides with a credited period, only one period shall be taken into account for the purpose of this Act.

(4) Where an insured period has been not less than ten years the condition set out in subsection 1 of this section shall always be deemed to have been satisfied, provided that the time from the entry into insurance to the acquisition of benefit or death is an insured period to the extent of four-fifths, and provided that the period from the termination of insurance to the beginning of benefit or death shall not exceed five years.

(5) The Government shall prescribe by Order in what manner the condition set out in subsection 1 of this section shall be satisfied in relation to seasonal workers and in relation to persons employed by several employers in turn.

(6) Where an insured person who has been insured for a period of not less than one year, becomes disabled or dies before completing the 21st year of age the condition set out in subsection 1 of this section shall be deemed to have been satisfied in relation to him.

(7) Where an insured person becomes disabled or dies as the result of an industrial accident at work or an occupational disease, the condition set out in sub-

section 1 of this section shall always be deemed to have been satisfied in relation to him.

(8) Where an insured person becomes disabled or dies during and as the result of pregnancy, confinement or childbed, and provided the said person had been insured for a period of not less than one year, the condition set out in subsection 1 of this section shall be deemed to have been satisfied in relation to her. This provision shall be void where disability or death has been brought about by a wilful interruption of pregnancy.

62.

Old Age Pension

(1) An insured person shall be entitled to old age pension benefit upon reaching the age of 65 years, provided that he is not in receipt of a disability pension and is in receipt of earnings not exceeding one-half of the yearly average of earnings under section 71, subsection 5.

(2) An insured person shall further be entitled to old age benefit provided that he has reached the age of 65 years, if he is not in receipt of a disability pension, and if he is not earning more than one-half of the yearly average of earnings as set out in section 71, subsection 1, and provided that that person has been insured for not less than 20 years under section 2, subsection 1. A period of voluntary continuation of insurance (section 148) shall for the purpose of this period of 20 years be taken into account to a maximum extent of five years.

63.

Disability Pension

(1) An insured person shall be entitled to disability pension, provided that he has lost wholly or to a substantial extent his earning capacity by virtue of a reduced state of health (sickness or physical or mental infirmity) before becoming entitled to old age pension

benefit, provided the said state of health is permanent. A state of health shall be deemed permanent which, in the opinion of a qualified medical practitioner, is likely to endure for a period of not less than one year.

(2) Loss of earning power shall be deemed to have occurred where an insured person has been obliged to relinquish his gainful occupation and where he is unable to carry on any other gainful occupation in keeping with his previous occupation.

(3) An insured person's earnings shall be deemed to have been substantially reduced where the said person is not earning, in his occupation or in an other employment and is unable to, in his previous employment or in any other employment in keeping with his previous occupation, earn more than one half of his annual average of earnings (section 71, subsection 5).

(4) The insured person shall further be entitled to disability pension as set out in subsection 1 of this section if he has relinquished his gainful occupation for a reason other than the said state of health, provided that such a state of health arises within two years after he has relinquished the said gainful occupation.

(5) Where an insured person is, in consequence of a reduced state of health, permanently incapable of any gainful occupation whatever, the conditions of subsections 1 to 3 of this section shall be deemed to have been satisfied in relation to him.

64.

Housewife's Pension

(1) The wife of an insured person (pensioner) who has been married to the latter for a period of not less than one year and who by virtue of her reduced state of health (sickness or physical or mental infirmity), arising during the said period of marriage, does not and cannot permanently carry out the tasks normally pertaining to the running of a household and who is not gainfully occupied, shall be entitled to a housewife's pension.

(2) The wife of an insured person (pensioner) who has been married to that person for a period of not less than one year and who during that said period has reached the age of 65 and who is not gainfully occupied, shall be entitled to a housewife's pension.

(3) The entitlement to pension as set out in subsection 1 and 2 of this section shall not cease with the termination of married life.

(4) The unmarried wife of an insured person (pensioner) shall on the conditions set out in subsections 1 to 3 of this section be entitled to the said pension provided that the conditions set out in section 66 are satisfied in relation to her.

(5) The wife (unmarried wife) of an insured person (pensioner) shall not be entitled to the said pension if she is in receipt of a pension under sections 62 or 63 or 65.

65.

Widow's Pension

(1) The widow of an insured person (pensioner) shall be entitled to a widow's pension for a period of one year after the death of the deceased, provided that she has been married to the insured person (pensioner) for a period of not less than one year. If she married the insured person (pensioner) on or after completion of the said person's 60th year of age, she shall have been married to the said person for a period not less than two years. The condition of married life set out in the foregoing sentences shall always be deemed to have been satisfied where the marriage issued in a child or where the death of the insured person (pensioner) occurred in consequence of an accident.

(2) A widow shall be entitled to continued payment of a widow's pension subsequent to the termination of the benefit period set out in subsection 1 of this section, provided that:

a) the period of married life with the deceased exceeded 15 years;

b) she is disabled;

c) she has reached the age of 45 years;

d) she cares for at least one child of the deceased, that child being entitled to education allowance.

(3) Where any of the conditions set out in subsection 2, paragraph b) to d) is satisfied after the insured person's death, the widow shall accordingly become entitled to a widow's pension as and when the said condition is satisfied.

(4) Entitlement to a widow's pension under subsection 2, paragraph b) to d) of this section shall become void when any of the conditions there set out cease to be satisfied. If, however, the said widow has been in receipt of the pension for a period of not less than five years, she shall be entitled to that pension even after the said conditions cease to be satisfied.

(5) A widow shall be deemed disabled who, by virtue of her reduced state of health (section 63, subsection 1), is not able to undertake employment in keeping with her strength, ability and position.

(6) A woman shall, provided that the conditions set out in the foregoing subsections of this section are satisfied in relation to her, be entitled to a widow's pension where, having been married to an insured person (pensioner) she has been divorced or separated, provided that she has not re-married and the said insured person (pensioner) was liable for her maintenance.

(7) Where a widow has become a widow for a second time and is not entitled to a widow's pension in respect of her second husband's death, or is entitled to a widow's pension at a lower rate than she would be entitled to in respect of her former husband's insurance, she shall, from the day on which she became a widow for a second time, be entitled to the widow's pension to which she was entitled before her remarriage (section 91, subsection 4).

Unmarried Widow's Pension

The unmarried wife of a deceased insured person (pensioner) who

a) has lived with the deceased insured person (pensioner) in joint household for at least ten years immediately preceding the death of the said person and was wholly or chiefly dependent on the said person for support, or

b) who lived with the deceased insured person (pensioner) in joint household for at least three years up to the day of his death, and who is the mother of his child, being a child which would be entitled to orphan's pension by virtue of the deceased insured person's death (section 67),

shall be entitled to an unmarried wife's pension, provided that, *mutatis mutandis*, the conditions set out in section 65 are satisfied in relation to her and that she is not entitled to a widow's pension.

Orphan's Pension

(1) A total orphan, being the child of a deceased insured person (pensioner), shall be entitled to an orphan's pension. A partly orphaned child, being the child of a deceased insured person (pensioner), shall likewise be entitled to an orphan's pension, where the said child is not in the care of the widow (unmarried widow), or where the said child is the illegitimate child of an insured woman (pensioner), or where the said child was wholly or partly dependent for support on the deceased married mother.

(2) An illegitimate child shall be entitled to an orphan's pension in respect of the insurance of an illegitimate father, provided that paternity has been established at court or has been affirmed out of court by the deceased insured person (pensioner).

(3) Where an insured person (pensioner) leaves behind orphaned grandchildren or orphaned foster-children, the said children shall be entitled to an orphan's pension, provided they had been wholly or chiefly dependent for support on the deceased.

(4) Orphaned adopted children shall be entitled to orphan's pension, provided that the contract of adoption in respect of the said children had been signed not more than six months prior to the death of the deceased, or before the beginning of a pension.

(5) Orphaned foster-children shall be entitled to orphan's pension in respect of the foster-father's insurance, provided that the said foster-father had supported them at his own expense for a period of not less than six months prior to his death, or prior to the beginning of his pension, and provided that the said foster-children were wholly or chiefly dependent on him for support.

(6) A child shall only be entitled to one orphan's pension in respect of the insurance of several insured persons (pensioners), and that whichever is the largest.

(7) A child shall be entitled to an orphan's pension up to the 16th year of age. On completion of that age, the orphan's pension may continue to be paid up to the 25 years of age,

a) where the child by virtue of sickness or physical or mental defect is incapable of self-support by work, or

b) where the child is systematically preparing for a future profession by way of study or other vocational training. Where the completion of the said course of study or training is interrupted by virtue of military service, the period during which orphan's pension is payable shall be extended to the extent of the period of such military service.

68.

Education Allowance

(1) The rates of pension benefit set out under section 60 shall be increased by an education allowance in

respect of each child (section 67, subsection 2 to 5) in the care of the pensioner. Education allowance shall not be payable in respect of a child which is entitled to an orphan's pension under section 67.

(2) Education allowance shall be payable at the rate of family allowances under the Act of December 13th, 1945, No. 154 Sb., relating to family allowances of certain persons insured in respect of sickness and the Acts amending and supplementing the same. An education allowance additional to a widow's pension shall not, however, be at a rate below Kčs 300.— per month.

(3) Where several persons would be entitled to an education allowance in respect of one and the same child, the said education allowance shall be payable only to that person who directly cares for the said child.

(4) On completion of the 16th year of age education allowance shall be payable subject to the same conditions as orphan's pension (section 67, subsection 7).

69.

Total Helplessness Supplement

Rates of pension benefit may be increased by not more than one half of the total rate of the said pension in respect of the total helplessness of a pensioner, that is to say, to the extent of requiring the attendance and care of a second person. Orphan's pension may be increased in respect of total helplessness from the 7th year of age. Education allowance may likewise be increased in respect of the total helplessness of a child.

70.

Marriage Grants

(1) An insured person (pensioner) shall be entitled to a marriage grant in respect of marriage.

(2) Marriage grant shall be at the rate of Kčs 5000.—, and shall be payable to the partner in relation to whom

the conditions of entitlement are satisfied. Where the conditions are satisfied in relation to both partners, the marriage grant shall be payable to the wife.

Rates of Pension Benefits

71.

(1) Old age (disability) benefit shall consist of a basic rate and increments.

(2) The basic amount shall be Kčs 8400.— annually, plus 20 per cent of the yearly average earnings as set out in subsection 5 of this section.

(3) The increments in respect of the first 20 years of insurance shall be at the rate of 0.4 per cent. of the average yearly earnings in respect of each insured year. In respect of each additional insured year, increments shall be at the rate of 0.8 per cent. of the average yearly earnings. In respect of insurance periods above the 60th year of age, increments shall be at the rate of 2 per cent. of the average yearly earnings. Credited periods under section 61, subsection 2, paragraphs a) to d), shall be deemed to equal contribution periods. The provision of section 61, subsection 3 shall apply, *mutatis mutandis*. The total rate of increments shall not be less than 8 per cent. of the average yearly earnings.

(4) In determining the period decisive for the assessment of the rates of increment the total period shall be expressed in years, that is, each 365 days shall be one year and the remainder shall be deemed one whole year. In respect of seasonal workers the Minister of Social Welfare shall, on a proposal of the Central National Insurance Institution and after consultation with the united trade union organisation, prescribe a different manner of determining insurance periods and credited periods for the purpose of assessing the rate of increment.

(5) The average yearly earnings shall be understood to mean the annual average of the bases of assessment (section 20) in respect of the 5 years immediately pre-

ceding the beginning of benefit, or such lesser period as may be made necessary by a period of insurance of less than five years. The calendar year which is the first insurance year, and the calendar year immediately preceding the year 1946 shall not be taken into account. Where the year immediately preceding the beginning of benefit or the year in which benefit begins is also the first year of insurance, the average yearly earnings shall be assessed in respect of the whole period of insurance. Where the annual average of the bases of assessment in respect of the ten calendar years immediately preceding the beginning of benefit, or in respect of a lesser number of years (where the period of insurance is less than that number of years), exceeds the yearly average over the five years immediately preceding the beginning of benefit, the average yearly earnings shall be understood to mean that longer period. Credited periods (section 61, subsection 2) shall not be taken into account for the purpose of determining the yearly average of earnings. The yearly average of earnings, determined in accordance with the foregoing provisions, shall be rounded off upwards to the nearest one hundred crowns.

(6) In the case of insured persons below the age of 21 the yearly average of earnings shall be deemed to equal, if that is the higher figure, the lowest normal rate of pay of a fully paid employee of the age of 21 in the same employment in the same or other undertaking of the same or a similar character.

(7) In the case of a period of continued voluntary insurance (section 148) the basis of assessment shall be that basis of assessment in accordance with which contributions had been paid.

(8) Rates of old age (disability) benefit assessed in accordance with the provisions of subsections 1 to 7, of this section shall not exceed 85 per cent of the average yearly earnings, and shall not be less than Kčs 9600.— annually.

(9) Where the conditions of section 61, subsection 1

or 4, are satisfied in relation to the insured person only in consideration of an insurable occupation under section 2, subsection 1, paragraph b) or c), and where the said insured person was not registered for the said insurance at the prescribed time, or at least six months prior to the beginning of benefit, the old age (disability) benefit of that said person shall be at the rate of Kčs 8400.

72.

(1) Where an old age or disability pensioner has been insured for a period of not less than two years and where that said person becomes entitled to benefit under sections 62 or 63 under this new insurance scheme, the original assessment of benefit shall be increased at the rate of the increments set out in the first sentence of section 71, subsection 3, in respect of the period of insurance under this new scheme assessed on the basis of the yearly average of earnings under this new insurance scheme. For this purpose the last sentence of section 71, subsection 3 shall not apply.

(2) Where a person in receipt of superannuation benefit out of public pension funds by virtue of this own contract of work is insured under section 2, subsection 1, and where in respect of that latter insurance he becomes entitled to a pension under sections 62 or 63, the latter benefit shall be payable to him only at the rate of the increments set out in the first to fourth sentences of section 71, subsection 3.

73.

A widow's (unmarried widow's) pension under section 64 shall be at the rate of 6000.— annually.

74.

(1) Widow's benefit and unmarried widow's benefit shall be assessed in respect of the old age (disability) pension to which the insured person (pensioner) would have been entitled at the time of death, and

shall not include education allowance or total helplessness supplement.

(2) Widow's (unmarried widow's) benefit under section 65, subsection 1 and 2, paragraphs b) to d) shall be at the rate of 70 per cent of the respective old age (disability) benefit.

(3) Widow's (unmarried widow's) benefit under section 65, subsection 2, paragraph a) shall be at the rate of 50 per cent. of the respective old age (disability) benefit.

(4) Benefit determined in accordance with subsections 2 and 3 of this section shall be at the rate of not less than Kčs 8400.— annually, even if the said pension is a partial pension under subsection 6 of this section.

(5) A widow's pension originally assessed under subsection 3 of the section shall be re-assessed in accordance with subsection 2 on the day, on which the conditions set out in section 65, subsection 2, paragraph b) to d) are satisfied in relation to the widow (unmarried widow). Where the said widow has been in receipt of a widow's pension under subsection 2 of this section for a period of not less than 5 years the rate of benefit shall not be reduced by virtue of the conditions set out under section 65, subsection 2, paragraph b) or d) being no longer satisfied in relation to her.

(6) Where in addition to a widow who is entitled to widow's benefit there is a wife who is entitled to a pension under section 65, subsection 6, the rates of benefit of the respective beneficiaries shall be assessed as proportions of the whole widow's pension in proportion to the number of years which the respective beneficiary spent in marriage with the deceased insured person (pensioner). Any period subsequent to a divorce or separation shall for this purpose be left out of account. This provision shall, *mutatis mutandis*, apply, where in addition to a wife entitled to a pension under section 65, subsection 6, there is an unmarried wife entitled to a pension under section 66. The rate of benefit shall not, however, be reduced under the foregoing sen-

tences where the wife, or unmarried wife, is responsible for the care of a child of the said insured person.

(7) Where in addition to an entitled widow there is an unmarried widow (section 66), the unmarried widow's benefit shall be at the rate of Kčs 8400.— annually.

75.

Orphan's benefit shall be at the rate of one-half of the old age (disability) benefit to which the insured person (pensioner) would be entitled at the time of death, in respect of each child and shall not include education allowance or helplessness supplement; the rate of benefit shall not be less than Kčs 6000.— annually.

Industrial Accident Benefit

76.

(1) Insured persons under section 2, subsection 1, paragraph a) and c) and the dependants of such persons shall be granted benefit under sections 77 to 78 in respect of physical injuries or death caused by an industrial accident.

(2) A person in the employment of an employer in this country, sent abroad in the course of his employment by that employer, and the dependants of such persons, shall be entitled to benefit under subsection 1 of this section, even where such persons are not otherwise liable for insurance under this Act, provided that the said persons are not insured against accident under the regulations of the State in the territory of which they carry on the said employment.

(3) Persons employed on casual work may be granted benefit in respect of accidents arising out of and in the course of such work under sections 77 to 88. Further details shall be prescribed by the Central National Insurance Institution by way of directives issued after consultation with the united trade union organisation and the interest associations concerned, and

subject to the approval of the Ministries of Social Welfare and Finance.

77.

An industrial accident shall be deemed an accident sustained by the insured person,

a) arising in the course of or in connection with the employment of the aforesaid person, including the journey to and from the place of employment, provided that this journey shall not be substantially interrupted by the employed person for reasons unconnected with the said employment;

b) arising in the course of tasks which the employed person has been directed to carry out by or on behalf of the employer or by a person superior to the said employment;

c) arising in the course of mutual assistance rendered in agriculture, in natural catastrophes or in the course of collective assistance in the interest of the community.

78.

(1) Occupational diseases shall be treated as industrial accidents. Occupational diseases shall be deemed the diseases set out in the schedule to this section, provided that such diseases resulted from occupation in the undertakings set out therein in the column adjoining the list of diseases.

(2) The Government may amend the said schedule by Order.

(3) The examining doctor shall inform the patient (who shall confirm this notice in writing) of the presence of an occupational disease or the suspicion of such disease and report the said disease or suspicion thereof to the insurance institution and to the competent medical officer responsible for labour inspection.

79.

Where an industrial accident has not caused the insured person's death, the consequences of the accident

shall be assessed in terms of the extent and duration of loss of earning capacity. For this purpose, disfigurement arising out of the accident shall be taken into account.

80.

(1) Where the loss of earning capacity arising out of an accident is at least 10 per cent. but less than 20 per cent., the injured person shall be entitled to a single accident insurance benefit.

(2) Where the loss of earning power exceeds 20 per cent. the injured person shall be entitled to an industrial accident insurance pension.

81.

(1) Accident pension shall be payable as from the day following the cessation of sickness benefit or the day following release from hospital treatment.

(2) An insured person shall become entitled to an accident grant on the day on which the loss of earning capacity proves permanent, but not later than on completion of one year since release from hospital.

82.

Accident pension shall be at the following rates:

a) where the injured person is, by virtue of the accident, totally disabled, two-thirds of the average yearly earnings determined in accordance with the provisions of section 71, subsections 5 to 6, shall be payable, this being full accident pension;

b) where the injured person is, by virtue of the accident, partially disabled, a portion of the full accident pension shall be payable corresponding to the degree of loss of earning capacity, this being partial accident pension.

83.

A single accident insurance benefit shall be at the rate of three times the annual benefit assessed in accordance with the provisions of section 82, paragraph b).

84.

(1) Where a change occurs in the degree of disability in respect of which accident benefit has been awarded a fresh decision in respect of the benefit claim (section 80, 82 and 83) shall be made.

(2) Where a claim for benefit has been rejected because the loss of earning capacity arising out of the accident is less than 10 per cent., or where a single payment under section 83 has been made, a claim to accident pension based on a deterioration of the state of the injured person, being a consequence of the accident, shall be deemed to arise only subject to the provisions of section 80, subsection 2.

85.

(1) Where the loss of earning capacity of the injured person is less than 10 per cent., benefit shall be payable only where a loss of earning capacity also exists as a consequence of another industrial accident or several such accidents, and where the total loss of earning capacity arising out of all such accidents is not less than 10 per cent. Where no claim to benefit has arisen in respect of earlier industrial accidents by reason of loss of earning capacity having not so far amounted to 10 per cent., benefit shall be assessed upon occurrence of a subsequent industrial accident in respect of the total loss of earning capacity. This provision shall apply also where consequences of accidents occurring while this Act is in force coincide with the consequences of accidents which occurred during the operation of previous regulations relating to accident insurance.

(2) Where, upon the coincidence of several accidents, compensation has already been awarded in respect of one or more of them, further benefit shall be payable only in respect of and at the rate of the difference between the benefit payable in respect of the total degree of the loss of earning capacity and the benefit already awarded.

Where a claim for accident pension coincides with a claim for disability or old age pension, the claim for accident benefit shall be void and the rate of disability (old age) benefit shall be increased in respect of a loss of earning capacity due to the said accident, that is, by 15 per cent. in respect of a loss of earning capacity of from 20 per cent. to 60 per cent., by 25 per cent. in respect of a loss of earning capacity of from 60 per cent. to 80 per cent., and by 40 per cent. in respect of a loss of earning capacity of over 80 per cent, being proportions of the full rate of accident benefit. An old age (disability) pension subject to this increase may not, however, be less than the accident pension payable under section 82 and shall not exceed 85 per cent. of the average yearly earnings under section 71, subsections 5 and 6.

(1) Where an industrial accident has caused the death of an insured person, the widow or unmarried widow (section 66) of that person shall be entitled to a single grant at the rate of 50 per cent. of the average yearly earnings of the deceased, and in respect of every child of the deceased in her care to a single grant at the rate of 10 per cent. of the average yearly early earnings of the said deceased (section 71, subsections 5 and 6).

(2) A totally orphaned child of that deceased person shall be entitled to a single payment at the rate of 20 per cent. of the yearly average of earnings of the said deceased (section 71, subsection 5 and 6).

(3) A widow's, unmarried widow's and orphan's pension under this Act shall be increased, where the death of the insured person has been due to an industrial accident, at the rate of 5 per cent. of the full accident pension.

Where the loss of capacity arising out of an industrial accident is not less than 20 per cent and does not exceed 45 per cent., accident benefit may, at the pensioner's request, be commuted to a lump sum. Directives in respect of the assessment of the said lump sum shall be issued by the Central National Insurance Institution, subject to the approval of the Ministries of Social Welfare and Finance. Upon payment of a portion of the said lump sum any further claim to compensation shall be considered in accordance with the loss of earning capacity corresponding to the remainder.

Social Benefit

(1) Czechoslovak citizens who have been employed in an insurable employment under section 2, subsection 1, irrespective of whether such employment preceded the coming into force of this Act, and who have passed the age of 65 or who are disabled in the sense of section 63, subsection 5, and who are necessitous, shall be entitled to social benefit. Persons who are entitled to one of the descriptions of benefit under section 60, subsection 1, paragraph a) to e), or to benefit under section 80, subsection 2, or to superannuation benefit out of public funds, shall not be entitled to social benefit.

(2) The necessitous widow of a person set out in the foregoing section shall be entitled to benefit subject to the provisions of subsection 1 of this section, where the said widow is disabled under section 63, subsection 5, or has passed the age of 65, and provided that the said widow is not entitled to benefit under subsection 1 of this section and is not entitled to a description of benefit under section 60, subsection 1, paragraph a) to e), or to benefit under section 80, subsection 2, or to superannuation benefit out of public pension funds.

(3) A totally orphaned child of a Czechoslovak citizen not in receipt of benefit either under section 60, subsection 1, paragraph f), or under the regulations relating to public pensions insurance or the public superannuation scheme hitherto in force, shall be similarly entitled to social benefit under subsection 1 of this section up to the age of 16 years, provided the said child is necessitous. The provisions of section 67, subsection 7 shall apply in this case also.

(4) A Czechoslovak citizen who is not entitled to benefit under subsection 1 of this section may be awarded benefit under that subsection provided the said citizen is necessitous and at the same time disabled under section 63, or has passed the age of 65 years. A necessitous widow may also be awarded such benefit even where the conditions of subsection 2 of this section are not satisfied in relation to her, provided she supports not less than 2 children of the deceased insured person.

(5) Necessitous shall be deemed a person who is without income from his own property or from any other sources or by virtue of a legal claim. Annuities payable in compensation for agricultural undertakings by the heir of a retiring farmer (výměnek), such undertakings being not in excess of 5 hectares for undertakings in the beet region, 8 hectares in the wheat region, 10 hectares in the potato region, and 15 hectares in the pasture region, shall not be taken into account for the purpose of determining necessity, provided that the retired farmers waives his claim to such annuity to the extent of two-thirds thereof or to a proportion not exceeding two-thirds of the annual rate of social benefit, or waives such claim by way of refund in money. Neither shall be taken into account for the said purpose other obligations undertaken subject to the provisions of section 154 of the Civic Act by a person or persons the earnings of whom are below the tax-free minimum. In determining necessity, the income, property, personal

and family circumstances of the necessitous person shall be taken into consideration, as well as possible legal claims.

(6) Social benefit shall be at the rate of Kčs 8400 annually. Orphan's social benefit shall be at the annual rate of Kčs 6000.

Where the beneficiary has a regular income other than the claims set out in the second and third sentence of the foregoing subsection, the amount of such income shall be deducted from the benefit, which may not, however, be below the annual rate of Kčs 3600.—.

(7) Where the conditions for awarding social benefit are satisfied in relation to a husband and wife living in joint household or in relation to a woman and man living as husband and wife (section 66), a single rate of social benefit shall be payable, being 150 per cent. of the annual rate set out in the foregoing subsection. Where in relation to one and the same person the conditions set out in subsections 1, 2 or 3 of this section are satisfied together, that person shall be entitled to only one rate of benefit.

JOINT PROVISIONS RELATING TO PENSION INSURANCE BENEFIT

90.

Origin of Claim

(1) Entitlement to pension insurance benefit shall arise with the satisfaction of the condition of entitlement which is last in terms of period of time (origin of benefit). Entitlement to an increase of benefit shall arise as set out in the foregoing sentence, subject to the satisfaction of such special conditions as may apply.

(2) Entitlement to disability benefit shall arise on the day of the loss or substantial decrease of earnings from work. Entitlement to disability pension under section 63, subsection 4 and 5 shall be deemed to arise

on the first day of the reduced state of health being a condition thereof.

(3) Where the date of satisfaction of the last condition of entitlement cannot be determined, the entitlement shall begin on the day on which a claim is lodged.

91.

Cessation of Entitlement

(1) Entitlement to benefit shall cease where any of the conditions thereof cease to be satisfied, or, except where otherwise provided in this Act, with the death of the beneficiary. Entitlement to increased benefit shall similarly cease where such special conditions as may apply cease to be satisfied.

(2) Entitlement to old age and disability benefit shall cease upon the beginning of a gainful occupation involving earnings exceeding the limit set out in sections 62 and 63, subsection 3, or upon the increase of earnings to this limit. Entitlement to disability benefit shall likewise cease, where the condition of infirmity subject to the provisions of section 63 ceases to be satisfied.

(3) Entitlement to wife's disability benefit shall cease, where the said wife again begins to discharge the usual household duties or where the condition of infirmity (section 64, subsection 1) ceases to be satisfied.

(4) Entitlement to widow's and unmarried widow's benefit shall cease upon re-marriage.

(5) Social benefit shall cease also upon the beginning of a form of benefit under section 60, subsection 1, paragraph a) to f).

92.

Reduction of Benefit

(1) Where a pension under this Act coincides with a superannuation benefit out of public funds, save for the cases set out under section 72, subsection 2, or with

a benefit under the Act of July 18th, 1946, relating to the care of persons suffering damage by virtue of the war or military service and of victims of fascist persecution, and where the total rate of both benefits exceeds the average rate of earnings subject to the provisions of section 71, subsection 5, in respect of which the rate of benefit under this Act was assessed, the said rate of benefit shall, subject to the provisions of this Act, be reduced by one-half of the sum exceeding the said average rate of earnings, but by not more than one-half of that rate of benefit which is the lesser of the two rates of benefits. Where the average earnings exceed Kčs 30,000.— and where the total said benefit exceeds that sum, the rate of benefit shall be reduced, *mutatis mutandis*, subject to the provisions of the first sentence of this subsection.

(2) Where in respect of one and the same person an old age (disability) pension coincides with a widow's or unmarried widow's pension and where the total exceeds the average rate of earnings (section 71, subsection 5) in respect of which the rates of benefit were determined, the total rate of benefit shall be reduced by one half of the sum exceeding that said average rate of earnings, but not by more than one-half of that rate of benefit which is the lesser of the two rates of benefit. Where the said average rate of earnings exceeds Kčs 30,000.— and where the total rate of benefit exceeds that amount, the total rate of benefit shall, *mutatis mutandis*, be reduced in accordance with the first sentence of this section. The reduction in accordance with the provision of the foregoing sentences of this subsection, shall not, however, be less than Kčs 5000.—.

(3) Where the beneficiary is earning and where the total annual rate of earnings plus benefit exceeds Kčs 18,000.— the rate of benefit shall be reduced by one half of the sum in excess of Kčs 18,000.—, but by not more than one-half of the rate of earnings.

(4) Where a rate of benefit is reduced in accordance with subsections 1 to 3 of this section, the rate of the benefit, being an education allowance or a benefit in respect of total helplessness, shall not be taken into account for the purpose of determining the total rate of benefit. The reduction of the rate of widow's benefit carried out under the provisions of subsections 1 to 3 shall be less by one-third in respect of each child of the deceased insured person (pensioner) in respect of whom the said widow is in receipt of education allowance.

(5) A reduction of the rate of benefit under the provisions of subsection 3 of this section shall be carried out provisionally on the basis of the probable rate of expected earnings. Upon the pensioner completing six months of gainful occupation, the reduction of the rate of benefit shall be re-determined in respect of the average earnings over that period. Where the average earnings have over that time been increased or diminished by not less than one-fifth of the total, the reduction of the rate of benefit shall be adjusted accordingly, subject to the provisions of the first sentence of this subsection, *mutatis mutandis*. If the pensioner fails to report to the insurance institute earnings or changes therein, the rate of benefit may be reduced as from the beginning of the gainful occupation or from the increase therein, as the case may be. Widow's and unmarried widow's benefit shall not be reduced under subsection 1 to 4 of this section until one year has elapsed since the death of the husband or unmarried husband.

(6) Retirement or superannuation benefit out of public pension funds under the foregoing subsections of this section shall not be deemed allowances in respect of injuries or allowances in respect of war service under sections 66 and 74 of the Act No. 76 Sb., relating to military supernannuation benefits, dated February 17th, 1922.

Payment of Benefit Abroad

(1) Benefit shall not be paid if the beneficiary is resident abroad without the consent of the insurance institution. No benefit shall be payable to a foreigner who has been expelled from the Czechoslovak Republic.

(2) Rates of benefit paid abroad shall be reduced by one-third.

(3) The Minister of Social Welfare may, in agreement with the Ministers of Finance and Foreign Affairs permit exceptions to the provisions of subsections 1 and 2 of this section, in consideration of mutual arrangements with foreign powers even where no international agreement has been concluded.

(4) Social benefit shall not be payable abroad.

DIVISION 3

GENERAL CARE OF INSURED PERSONS AND DEPENDANTS

Preventive Care

(1) The Central National Insurance Institution shall, to the extent of the funds provided to this end by the economic plan (section 200) and within the framework of the uniform health service plan (section 193) take part in the preventive care given to insured persons and their dependants and shall support, or enforce, as the case may be, the general or particular measures taken in the interest of preventive care.

(2) On the same conditions the Central National Insurance Institution shall likewise support and take part in all general and particular measures directed towards the prevention of the premature disability of insured persons and dependants of such persons.

(3) Insured persons and their dependants shall comply with the instructions given by the insurance institution towards the enforcement of preventive care as set out in subsections 1 and 2 of this section.

95.

(1) For the purpose of implementing the provisions of section 94, subsection 1, the insurance institution shall, on the conditions set out therein, deal with the following tasks in particular:

a) the regular and systematic examination of insured persons and their dependants, in particular young persons and persons whose employment (occupation) involves a danger to health;

b) the placing of insured persons and dependants of such persons, in cases where their health is endangered, in recreation centres under medical supervision with special regard to young persons and persons exposed to the danger of occupational diseases (miners and the like), and to convalescent persons and children in cases where their state of health requires it;

c) the health education of insured persons and members of their families;

d) research into diseases;

e) participation in recreation schemes for insured persons and the dependants of such persons;

f) participation in the medical advisory service under the Act No. 49/1947 Sb., relating to the health advisory service, dated March 19th, 1947.

(2) The health advisory service shall be operated in close co-operation with the state health administration, and that as a rule subject to the provisions of the said Act No. 49/1947 Sb.; in agreement with the State health administration the insurance institution may, however, use its own resources and equipment for this purpose also.

Accident Prevention

96.

(1) The insurance institution shall play its part in the prevention of accidents and occupational diseases. In this endeavour it shall proceed in co-operation with the competent public authorities and organs, with the united trade union organisation, with the interest organisation, with scientific, research and other institutions, where the said organisations deal with questions related to human labour with reference to safeguarding life at work and the protection of the health of insured persons.

(2) The tasks of the insurance institution in respect of the prevention of accidents and occupational diseases shall include in particular:

a) investigation of the causes of industrial accidents and occupational diseases and the proposal of suitable measures to obviate such accidents and diseases,

b) educational publicity for employed persons and employers in respect of the importance of accident prevention,

c) co-operation in the drawing up of safety regulations and regulations for the protection of workers and in the supervision of the enforcement thereof.

97.

(1) The Government shall by Order prescribe regulations for the protection of the life and health of insured persons in all manner of occupations save undertakings under the investigation and control by the mining-authorities, and shall likewise prescribe which of the hitherto valid regulations shall remain in force, and to what extent. Until such time as the said regulations are issued the hitherto valid regulations respecting the protection of the life and health of employees shall

remain in force; in particular the provisions of the Government Order of February 10th, 1938, No 41 Sb., relating to general provisions for the protection of the life and health of auxiliary workers, and of the regulations amending and supplementing the same, shall, for the time being, apply correspondingly also to such person who have not prior to this Act been entitled to compensation in respect of industrial accidents.

(2) Employers shall at their own expense take all measures prescribed by the regulations respecting the protection of life and health of insured persons subject to the provisions of subsection 1 of this section and shall, without prejudice to the generality of the provisions of section 223, subsection 2, report without delay to the public industrial investigation department and the insurance institution all serious and collective accidents and all those involving a number of workers.

(3) All insured persons shall observe the regulations issued for the protection of life and health at work and make use of safety precautions and safety aids. Competent managers and works inspectors shall supervise and enforce the observance of safety precautions. The members of the works representative bodies shall co-operate in the prevention of accidents.

98.

(1) The insurance institution shall, in the course of implementing the provisions of section 96, appoint for all undertakings with the exception of undertakings that are subject to the control and investigations of the mining authorities, qualified officers for the purpose of ascertaining the state of safety aids at the place of work and controlling the observance of safety regulations.

(2) The qualifications of the said officers shall, in addition to the usual general technical training, include special experience in respect of the technical equipment, the method of production and the manner of work in

that production sector, in which they shall be entrusted with the inspection of undertakings.

(3) The officers cited in subsection 1 of this section shall be entitled to carry out inspections in places of work during and outside working hours, in pursuance of the general regulations. The obligation to secrecy prescribed in section 22, subsection 2, shall apply, *mutatis mutandis*, save for the notification of defects.

(4) The insurance institution shall appeal to the employer to rectify the said defects within a stated and reasonable period. Such defects as should not be rectified in the period prescribed shall be reported by the insurance institution to the competent public authority.

(5) For the purpose of carrying out tasks set out in subsections 1 and 3 of this section the insurance institution shall request the consent of the military departments concerned.

99.

(1) A contractor erecting plant or supplying machinery, machine parts or other equipment, shall be responsible to the person who has given the order that the said plant, machinery, machine parts or other equipment complies with the regulations respecting accident prevention valid at the time of delivery.

(2) The contractor supplying the said equipment shall furnish the person at whose request he has supplied equipment with a statement guaranteeing that the condition set out in subsection 1 of this section has been satisfied.

Rehabilitation Care of Insured Persons with Reduced Working Capacity

100.

(1) The insurance institution shall ensure by suitable means (provided that this aim cannot be attained

through the provisions of sections 27 to 34) that an insured person who is incapable for work by virtue of injuries or other reasons, regain his capacity for work in his original or, where this is not possible, in another occupation.

(2) The provision of subsection 1 of this section shall not be deemed to prejudice the competence of the labour administration authorities.

101.

(1) Rehabilitation care shall be carried out by the insurance institution by means of physical training, to the end that an insured person may regain his capacity for work thereby or that his capacity for work may be increased. The insured person shall be trained for his previous occupation or, where this is not possible, for another occupation of which he may reasonably be deemed capable. The provision of section 46 shall apply, *mutatis mutandis*, to the period of rehabilitation training.

(2) The Minister of Social Welfare may, after consultation with the Central National Insurance Institution, prescribe by way of Notification in the Official Gazette, details respecting rehabilitation care and in particular regulate the cooperation between the Central National Insurance Institution and the labour administration authorities for this purpose.

DIVISION 4

GENERAL PROVISIONS RELATING TO INSURANCE BENEFIT

102.

Disqualification for Benefit

(1) A person shall not be entitled to benefit provided that he has brought about the circumstance giving rise to the claim in the intention of gaining benefit or in the course of committing a crime.

(2) A person shall not be entitled to sickness benefit provided that he became incapable for work through avoidable participation in a fight or as the immediate consequence of inebriation. The dependants of the said person may, however, be granted assistance at the rate of one-half of the sickness benefit.

Non-payment of Benefit

103.

(1) Payment of cash benefit save for maternity benefit shall be suspended in cases where the beneficiary is serving a term of imprisonment exceeding two months. Benefit shall not be paid out where and for the period during which the beneficiary is serving a term in a compulsory labour institution or in an approved school.

(2) In the events set out in subsection 1 of this section the benefit shall be paid to the dependants of the said beneficiary. Where there are several such dependants, a husband (wife) and children shall have priority before parents and these latter before other dependants.

(3) In exceptional cases, full or partial benefit which has not been paid in pursuance of subsection 1 of this section may be paid in arrear, not only to members of the family of the said beneficiary, but also to such third persons as hold legal claim to be maintained by the said beneficiary.

Old age and disability benefit shall not be payable in respect of periods in respect of which sickness benefit pension is paid, such sickness benefit having been awarded prior to the beginning of the said pension.

Prescription of Claim

(1) Entitlement to pecuniary sickness insurance benefit shall lapse on completion of a period of one year after the origin thereof.

(2) Entitlement to pension benefit, save for the cases set out in subsections 3 and 4 of this section below, shall lapse on completion of a period of 10 years after the origin. Entitlement to marriage grant and the entitlement of a divorced wife in respect of a portion of a widow's pension (section 65, subsection 6) shall lapse on completion of a period of two years after the beginning of entitlement.

(3) Entitlement to compensation in respect of an industrial accident shall lapse on completion of a period of two years after the injury. Entitlement to compensation in respect of an occupational disease shall lapse on completion of a period of two years after the day on which the presence of the occupational disease has been medically determined (section 78, subsection 3), but in no event later than on completion of a period of five years after the day on which the insured person ceases to be occupied in one of the undertakings set out in the schedule to section 78 of this Act.

(4) Where the death occurs of an injured person who has been awarded accident compensation in consequence of the said injury, the entitlement of the surviving dependants to accident compensation shall lapse on completion of two years after the death of the injured person.

(5) Entitlement to an instalment of a periodical benefit shall lapse on completion of a period of one year after the instalment was payable.

106.

Method of Payment of Benefit

(1) Periodical sickness benefit in cash shall be payable in arrear in respect of periods not exceeding 16 days, to the nearest whole Czechoslovak crown.

(2) Pension benefit shall be payable in advance in respect of monthly periods.

(3) Monthly instalments of pension insurance benefit shall equal one-twelfths of the yearly rate to the nearest whole crown.

(4) Payment of pension benefit abroad may be made also in other than monthly instalments and in arrear. The Minister of Social Welfare may in other cases prescribe by Notification in the Official Gazette other methods of making payment of benefit on the proposal of the Central National Insurance Institution and after consultation with the united trade union organisation and the interest associations.

(5) Beneficiaries shall be liable to present at every payment a certificate of life, widowhood or other decisive circumstances.

(6) Housewife's pension (section 64) of an old age (disability) pensioner shall be payable jointly with the husband's pension benefit, provided that the said wife does not request that benefit be paid separately.

107.

Payment of Benefit to a Third Person

(1) Where the payment of benefit to the beneficiary would evidently not serve its proper purpose or where the interests of the dependants of the beneficiary would

be prejudiced thereby, the district court having jurisdiction in the place of residence of the beneficiary may, acting on the proposal of a wife, guardian of the children, collective guardianship authority, or of the local authority in the residence of the beneficiary, appoint a person, corporation or public department to which the benefit shall be paid in lieu of the beneficiary. The court shall adopt a decision after incontestable proceedings in pursuance of the regulations in respect of the nomination of a trustee.

(2) Where such proposal is allowed, the person to whom the benefit is paid shall be bound to use the said benefit exclusively for the benefit of the beneficiary and his family.

108.

The cession or hypothecation of rights shall be permissible only in respect of

a) advances on benefit made to the beneficiary by an employer, or by a local authority or other public corporation,

b) legal claims against the beneficiary for support, and then in respect of not more than one-half of the benefit.

109.

Alteration and Recovery of Benefit

(1) Where a change occurs in the circumstances decisive for the determination of the rate of benefit or where it is subsequently ascertained that benefit had been awarded under an error respecting the facts of the case, the rate of benefit may be increased or reduced, or benefit may be suspended or withdrawn. In a case of suspension or reduction of benefit, the said reduction or suspension shall come into effect upon completion of the period in respect of which the said benefit has already been paid. In the event of an increase of benefit, however, the said increase shall come

into effect as from the day upon which entitlement to such increase begins.

(2) Benefit already paid out may be recovered only where the conditions in section 227 set out are not satisfied in relation to the beneficiary or where the said beneficiary has brought about the award or payment of benefit by a false statement in respect of material circumstances, or by concealing material circumstances, or where it has been established in a court of law that the award has been obtained on false pretences. The insurance institution shall decide in respect of the liability to refund benefit or to refund the pecuniary value thereof where benefit in kind has been rendered by award and exact the said refund as contributions. In this event the benefit unlawfully accepted may be deducted from current benefit or from such benefit as may subsequently be awarded to the same beneficiary.

Liability of the Employer and Third Persons in Respect of Insurable Damages

110.

(1) Save in a case subject to the provisions of sections 111 or 112 and where an insured person, a dependant or surviving dependant of that person, is entitled to compensation by way of damages for the reason for which benefit was awarded, the insurance institution shall be entitled to claim compensation at a rate not exceeding the rate of benefit. Benefits paid by the insurance institution shall be deemed damages inflicted upon the insurance institution.

(2) The compensation under subsection 1 of this section may be paid in the capital value of benefit, assessed in accordance with the valid rules of the financial administration of the insurance institution.

111.

(1) Where an employer or his representative (who may make the employer liable) is responsible for an

accident by intention or gross negligence, the said employer shall be liable to refund to the insurance institution any benefit payable in respect of the accident. The provisions of section 110, subsection 2, shall apply, *mutatis mutandis*.

(2) The insurance institution's claim shall lapse on completion of a period of three years after the day of the accident.

112.

(1) The insured person or the surviving dependants of the said insured persons shall only be entitled to exact compensation for damages from the employer in cases where the accident has been brought about with intent or gross negligence on the part of one of the persons set out in section 111, subsection 1.

(2) A claim under subsection 1 of this section shall be limited to the sum by which the amount payable to the entitled person by way of compensation under Civil Law exceeds the benefit payable in respect of the accident.

113.

(1) Where the insurance institution has awarded benefit on the basis of a false statement on the part of the employer, there being no entitlement to such benefit, or where the insurance institution has on the basis of a false statement on the part of the employer, paid benefit in excess of the rate payable under the actual basis of assessment, the employer shall be liable to refund to the insurance institution the loss sustained by the insurance institution.

(2) Where it is ascertained within three years after the award of a pension, that the rate of benefit should have been determined on the basis of a rate of assessment exceeding the rate of assessment in respect of which contributions had been paid (section 109, subsection 1), the insurance institution shall be entitled to

claim from the person liable to pay contributions, a refund of the said excess of the rate of benefit. Where the insured person has not been registered for insurance at all, the insurance institution shall be entitled to claim refund of the entire benefit paid.

(3) The insurance institution shall decide in respect of the compensation by way of award and shall recover it as contributions. A claim for compensation under subsection 2 of this section shall be lodged within a period not exceeding one year after the re-assessment of benefit.

114.

Invalidity of Agreements

(1) Agreements detrimental to insured persons (pensioners) or their dependants or surviving dependants, which are in violation of this Act, shall be null and void.

(2) An employed person who has been granted or permitted to undergo institutional treatment or special medical care by the insurance institution, may not, on account of such treatment or care, be dismissed from his employment, nor may notice of dismissal be served on him pending the said treatment or care. Where an employed person has been dismissed from his employment or where notice of dismissal has been served on him after an application for the said treatment or care has been made by him, the dismissal or notice shall be null and void.

(3) Where an employed person has been under treatment for tuberculosis in an institution of treatment and has been released as cured, the above provision shall apply for a period of six months subsequent to the release of the said person from this treatment.

115.

Claims Toward Third Persons

Subject to the provisions of this Act, nothing in this Act shall be deemed to prejudice the claims of insured

persons, the dependants or surviving dependants of such persons towards other persons, or bodies corporate, assistance institutions, insurance institutions and other relief funds and endowments, where such claims arise out of the circumstances in respect of which the said persons became entitled to benefit, save where this Act otherwise prescribes.

PART III

SOURCE OF FUNDS

116.

Sources of Funds

(1) The fund required for defraying the expenses of national insurance shall be provided as follows:

- a) by means of contributions (sections 117 to 134)
- b) by means of fixed sums in respect of the insurance of pensioners (section 135)
- c) by means of a State subsidy (section 137)
- d) by means of property yield.

(2) The contribution supplement shall be payable from the day on which the said defect is ascertained.

(3) The insurance institution shall decide by way of award on the liability to pay the said supplement. In all other respects the supplement shall be treated as contributions.

CONTRIBUTIONS.

117.

Rates of Contributions

(1) Contributions shall be determined as a proportion of the basis of assessment (section 20).

(2) Sickness insurance contributions shall be

- a) 6.8 per cent. in respect of employed persons with the exception set out in paragraph b) of this subsection,

b) 5 per cent. in respect of persons in the civil service set out in section 36, subsection 5,

c) 6.7 per cent. in respect of self-employed persons and persons in family employment.

(3) Contributions in respect of pensions insurance shall be at the rate of 10 per cent. In respect of insured persons entitled to accident compensation under section 76, subsection 1, a supplementary accident contribution at the rate of 1 per cent. of the basis of assessment shall be awarded.

118.

Variation of Rates of Sickness Insurance Contributions

(1) The Government may by way of Order increase the rates of sickness insurance contributions by an amount not exceeding 0.5 per cent. of the basis of assessment.

(2) The Minister of Social Welfare may, in agreement with the Minister of Finance, the supreme price control office, and upon consultation with the Central National Insurance Institution, the united trade union organisation, and the interest associations, reduce the rates of sickness insurance contributions by way of Notification in the Official Gazette.

119.

Additional Contributions

(1) Where the equipment of an undertaking employing not less than five insured persons is according to a final decision of the district labour office (labour inspection) not consistent with the health and safety regulations, insurance contributions may be increased by a supplement of not more than 25 per cent. of the contribution rate, for such period as the said equipment is defective. Likewise the supplementary accident contri-

bution may be increased at a rate of not more than 50 per cent. of the contribution rate.

(2) The said supplementary contribution shall be payable as from the date on which the defect is ascertained.

(3) The insurance institution's decision in respect of the liability to pay supplementary contributions shall be communicated by way of award. In all other respects the regulations relating to payment of contributions shall apply.

120.

Body Liable to Pay Contributions (plátce pojistného)

(1) An employer shall pay contributions in respect of an employed person.

(2) A self-employed person shall pay contributions in respect of himself and those dependants who are in family employment.

121.

Date of Payment

(1) Contributions shall be payable in monthly instalments throughout the insured period and shall fall due on the first day of each calendar month in respect of all wage periods completed during the preceding month.

(2) The person paying contributions shall be liable to make such payment to the insurance institution without special award. The insurance institution shall, however, be entitled at any time to make such awards.

(3) The person paying contributions shall be liable to render the insurance institution an estimate of contributions on or before the fifteenth day of each month in respect of the preceding month, on the form prescribed. The insurance institution may exempt certain employers or group of employers from this liability or, as the case may be, determine the said liability at variance from the foregoing provision.

Interest on Insurance Contributions (příslušenství pojistného)

(1) Where payment of contributions has not been made within 15 days of the date of maturity, the person paying the contributions shall as from that day be liable to pay interest in respect of the delay.

(2) The rate of interest in respect of delay shall be 5 per cent. This rate of interest may be varied by the Central National Insurance Institution in agreement with the Ministries of Social Welfare and Finance by way of Notification in the Official Gazette.

(3) Where the insurance institution addresses to the employer who has failed to make payment of insurance contributions within 15 days of the date of maturity, a formal notice to pay the said contribution, the insurance institution shall be entitled to charge the said employer a fee for that notice, the amount of which shall be determined by the Central National Insurance Institution subject to the sanction by the Ministry of Social Welfare by way of Notification in the Official Gazette.

Security for Contributions.

Joint contractors shall be liable, jointly and severally, for the payment of contributions and for the interest on contributions (příslušenství) for which the person paying the contributions is liable.

A wife and husband living in joint household, one of them being the person liable to pay insurance contributions, shall be liable jointly and severally for the payment of contributions which became payable during the period in which the said husband and wife lived in joint household.

There shall be liable jointly and severally

a) the owner, or as the case may be, tenant of an undertaking, being a restaurant, café (kavárna), theatre, health resort, or place of amusement, in respect of contributions and interest thereon payable in respect of insured persons employed in musical or entertainment performances taking place in the said person's undertaking, in respect of the period during which such performances are taking place in the said undertaking.

b) the owner of a theatre building and the manager of a theatrical company in respect of contributions and interest thereon payable in respect of the period during which theatrical performances take place in the said building,

c) a person or body corporate being the owner of an official permit to operate an undertaking of whatever kind, in respect of the contributions and interest thereon, payable by the person operating the said undertaking on his own account, on the basis of the aforesaid person's or body corporate's permit,

d) the owner of a quarry (mine) in respect of contributions and interest thereon payable by the person carrying on work in the said quarry (mine).

(1) A person acquiring an undertaking (industrial, business or agricultural) shall be liable for contributions and interest thereon due from his predecessor in respect of a period not exceeding 18 months immediately preceding the date of acquisition.

A person acquiring a portion of such an undertaking shall be liable for contributions and interest thereon at a rate proportional to the portion of the undertaking acquired. Changes introduced by the new owner in the extent or manner of work carried on in the said undertaking or portion thereof shall not prejudice the said liability.

(2) The insurance institution shall be liable at the request of the person acquiring an undertaking to supply proof of the amount of contributions due.

(3) The foregoing provisions shall not be deemed to prejudice legal liability.

127.

It may be provided by Government Order that in respect of certain classes of undertakings or plants the lessor of the said undertaking shall be liable for contributions due from and not paid by the lessee under section 126.

128.

A body corporate, being a public company (komanditní společnost, komanditní společnost na akcie) shall be liable for the contributions of the partners (personally liable partners) thereof, and a limited liability company shall be liable for the contributions of the agents thereof.

129.

(1) The authority issuing a building licence shall be liable simultaneously to notify the insurance institution that the licence has been issued, and which building tradesman is carrying out the work. If contributions are due and not paid by the said building tradesman, the insurance institution may by way of award instruct the building contractor to deposit with the said insurance institution on account of the building trader, adequate security in respect of the contributions due from the latter and interest thereon. An appeal against the said award shall not stay the execution thereof. The security shall be recovered as contributions.

(2) If the building trader fails to pay contributions for a whole year and if the collection of contributions by way of distress is without effect the district national committee shall, on the proposal of the insurance institution, issue an award to the effect that the building

contractor shall for a period of three years after termination of the contribution period be liable for contributions payable in respect of persons employed on the building site, provided the said contributions become payable subsequent to the issue of the award. An appeal against the said award shall not stay the execution thereof.

(3) An award, communicated subject to the provisions of subsection 2 of this section, shall contain the name and permanent residence of the building tradesman as well as the name and address of the undertaking. The award shall be brought to the notice of the local national committee in the place of residence of the building tradesman and of the said undertaking. The local national committee shall be liable to promulgate the award in the manner customary at the builder's place of residence.

(4) Where a building tradesman changes his residence or place of work (undertaking), the aforesaid national committee shall bring the award to the notice of that national committee in the jurisdiction of which the building tradesman's new place of residence or new place of work (undertaking) is situated.

(5) The local national committee and the insurance institution shall be liable to inform all interested persons whether an award has been made against a building tradesman and whether the said award is in force at that time.

(6) A building tradesman to whom an award under the foregoing subsections of this section has been communicated, shall without delay notify the building contractor of the fact. Where the building tradesman takes over a new building job, he shall inform the building contractor of the award in advance.

(7) The district national committee shall cancel the award at once upon being notified by the insurance institution that the building tradesman has settled the debt.

Deposit in Security for Contributions

In the case of undertakings operated by foreigners, undertakings operated temporarily and without a permanent place of work, as well as in the case of undertakings operated by limited liability companies and registered limited liability companies (zapsané společnosti s r. o.) the insurance institution shall be entitled to demand that a deposit be made in security for contributions for a suitable period in advance. The said deposit shall be payable within 15 days after receipt of the award. An appeal against the award shall not stay the execution thereof.

Payment of Contributions by Deduction from Pension Benefit

Where in respect of an insured person under sections 4 and 5 contributions have not been paid, the pension benefit of the person responsible for paying the contributions and of the dependants of that person, being persons in family employment, shall be reduced to Kčs 8400 p. a. until the amount of contributions due and interest thereon has been paid.

Recovery of Contributions

(1) Contributions due, and interest thereon, shall be recovered by distraint under an enforceable order for payment (výkaz nedoplatků). The order shall be enforceable on the 15th day after the issue thereof.

The enforceability clause shall be added by the insurance institution. The competent distress court shall be authorised to approve and give effect to the distraint.

(2) Contributions and interest thereon shall, in distraint, bankruptcy and composition proceedings, have equal priority with arrears of taxes and public dues.

Prescription of Contributions

(1) The insurance institution's entitlement to assess contributions shall lapse on completion of a period of five years after the day of maturity. Where the employer has wittingly made false statements or has altogether failed to make a statement, with intent to defraud the insurance institution of contributions, the said entitlement shall lapse on completion of a period of ten years.

(2) The insurance institution's entitlement to recover contributions shall lapse on completion of a period of 5 years from the date of maturity. Where contributions have been assessed, the said entitlement shall lapse on completion of a period of five years after the day on which the liable person was informed of the assessment of contributions.

(3) The period of prescription shall be deemed interrupted by any measure directed towards determining the rate of assessment, or recovering contributions, provided that the liable person has been informed of the said measures; in addition the said period shall be deemed interrupted or reduced in accordance with the provisions of the bankruptcy and composition code.

Refund of Contributions

(1) Contributions paid without legal liability shall be refunded by the insurance institution without interest provided such refund is demanded within two years after the completion of the calendar year in which payment occurred. The insurance institution shall, however, be entitled to deduct from the amount to be returned, expenditure incurred in respect of benefit already paid.

(2) A period during which proceedings regarding lia-

bility to pay contributions or benefit claims are in progress shall not be taken into account in determining the period set out in subsection 1 of this section.

OTHER SOURCES OF FUNDS

135.

Flat Rate of Contributions in Respect of the Insurance of Pensioners

Bodies liable to pay superannuation and retirement benefits to the persons set out in section 8, paragraph b) and c) shall pay, for the purpose of providing funds for expenses in connection with the sickness insurance of such persons, a flat rate of contributions which shall be determined annually, on the proposal of the Central National Insurance Institution, by the Ministry of Social Welfare in agreement with the Ministry of Finance and other Ministries concerned, and after consultation with the united trade union organisation and the interest associations. These sums shall be payable in advance by way of deposit.

136.

Flat Rate of Contribution in Respect of the Insurance of Unemployed Persons

A flat rate shall be payable each year for the purpose of providing funds for the sickness insurance of unemployed persons from the resources of the effective employment fund (účelové jmění pro včleňování do práce). The amount of this sum shall be determined annually by the Ministry of Social Welfare in agreement with the Ministry of Finance on the proposal of the Central National Insurance Institution and after consultation with the united trade union organisation and the interest associations.

State Subsidy

(1) The State shall contribute to the insurance institution each year for the resources of the pensions insurance a sum sufficient to effect a gradual increase of the reserve fund, so that the latter shall on December 31st, 1956 reach three times the sum expended on benefit during the year 1949. After December 31, 1956, the state annual subsidy shall ensure that the resources of the reserve fund remain constant.

(2) The State shall provide and pay to the Central National Insurance Institution one-half of the expenses of institution treatment (section 198, subsection 4, and section 199, subsections 1 and 2).

(3) The Government shall by way of Order prescribe further subsidies to be paid to the Central National Insurance Institution by the State in order to provide funds to pay the expenses incurred by the latter in connection with carrying out the tasks prescribed by this Act (section 25, Nos 1, and 3), in particular in connection with infant mortality, preventive and emergency measures.

PART IV

INSURANCE OF SPECIAL CLASSES OF PERSONS

DIVISION 1

Miners' Pension Insurance

(1) Miners under this Act shall be persons, who, on the basis of a contract of employment (contract of service) or contract of apprenticeship, are employed below ground or on the surface

- a) in mining (section 131 of the General Mining Act),
- b) in undertakings engaged in the mining of resins,

c) in undertakings engaged in the mining of china clay, fireproof clay, feldspat, gypsum and quartz, silica as used in the manufacture of fire-resisting articles and casting sands, provided that the said production is carried on by mining methods and is subject to inspection by the mining authorities.

(2) Mining inspection assistants (dělníční báňští inspekční asistenti) shall for the purposes of this Act be deemed miners under subsection 1 of this section, save where this Act otherwise prescribes. Secretaries of associations of mining employees shall similarly be deemed miners under this Act, provided that they have previously been actively occupied in mining for a period of not less than ten years.

(3) Miners under subsections 1 and 2 of this section shall however not be deemed:

a) employees of special non-mining undertakings, who carry out, in mining undertakings, or in the undertakings set out in subsection 1, paragraph b) and c), certain specific tasks the duration of which is not specified in advance and which are connected with mining only indirectly, as the construction of buildings, roads, rails, bridges or water works;

b) persons who render services in case of accident or natural catastrophe, or for the purpose of the speedy repair of defects in the work of the plant, or transport, provided that the period during which services are rendered is not likely to exceed two months,

c) persons employed on exclusively administrative work and the employees of undertakings engaged exclusively in the marketing or distribution of the mining products,

d) persons in the employment of agricultural undertakings and hotels or restaurants, recreation homes, educational or entertainment undertakings attached to mining undertakings, as well as of other undertakings not directly connected with the mining or the processing of minerals and resins.

(4) The Minister of Social Welfare may, on the pro-

posals of the Central National Insurance Institution, and after consultation with the united trade union organisation prescribe further rules, while taking into consideration the hitherto valid regulations, which tasks in mining shall be deemed work below ground.

(5) Miners normally employed on work below ground shall be deemed to be so employed also where they are employed on the surface, in the function of a member of the works council, or in a temporary capacity, and where such employment is in the interest of production. Work done below ground by miners normally employed on the surface, such employment below ground being temporary and in the interest of production, shall be taken into consideration for the purpose of determining the time worked below ground only to the extent of the actual time spent in employment below ground.

139.

(1) A miner shall be entitled to old age pension benefit if he is not in receipt of benefit under section 62 or in receipt of disability benefit and is no longer employed in an insurable employment, provided that he

a) has attained the age of 55 and has been insured for not less than 25 years in respect of work below ground, or

b) has attained the age of 55 and has been insured for not less than 35 years in respect of mining employment and, during that period, for not less than 10 years in respect of work below ground, or

c) has attained the age of 60 and has been insured in respect of mining employment for not less than 15 years.

(2) A miner shall not be entitled to benefit under subsection 1 of this section where the said miner did not attain the respective age of 55 or 60 until completion of a period of not less than two years subsequent to termination of his employment in mining.

(3) A person who for five successive years immediate-

ly prior to the beginning of disability, has been employed below ground, or who, for not less than half the total period from the beginning of pension insurance (superannuation scheme) to the beginning of disability, has been employed below ground, shall be entitled to disability pension also where he has been compelled to relinquish his last employment and is not capable for other work below ground in keeping with his previous occupation. Where disability has been incurred in the course of work below ground by virtue of an industrial accident, the above condition of work below ground shall always be deemed satisfied.

(4) Where the death occurs of a miner by virtue of an industrial accident (occupational disease) the condition set out in section 65, subsection 2, paragraph a) shall always be deemed satisfied.

140.

(1) The increment under section 71, subsection 3, first and second sentence, shall in respect of each year spent in mining employment be at the rate of 1.2 per cent. of the average yearly earnings and in respect of work below ground at 2 per cent. of the average yearly earnings.

(2) Old age (disability) benefit shall be at a rate not less than Kčs 14,400 annually.

(3) The rate of old age (disability) benefit assessed in accordance with section 71, subsection 1 to 7, and in accordance with subsections 1 and 2 of this section shall not exceed 90 per cent of the average yearly earnings.

141.

The Government may prescribe by way of Order, where this is necessary in the interest of the economy, that, in respect of periods spent in strenuous or dangerous employment or in employment ordinarily neglected in the choice of occupation, further increments shall be payable in addition to pension benefit under this Act.

The Government shall at the same time prescribe special funds to defray the expenditure arising out of the said increments.

DIVISION 2

Journalists' Pension Insurance

142.

The Government shall by way of Order, as from October 1st, 1948, adjust the regulations relating to journalists under private contract of service (Act No. 189, Sb., relating to journalists' contract of service, dated July 3rd, 1936, and section 1, subsections 1 and 2 of Act No. 191 Sb., relating to the position of journalists and to journalist associations, dated May 28th, 1947) which has hitherto been subject to the provisions of section 124 of Act No. 26, Sb., relating to the pensions insurance of higher-grade salaried employees, dated February 21st, 1929; in Slovakia, of the Order No. 17, Sb. n. SNR, relating to the insurance for additional benefit of certain employed persons, dated February 8th, 1946), and shall carry out the said adjustment after consultation with the Central National Insurance Institution, and the committee of the National Union of Czechoslovak Journalists. The said Order shall include, in particular, provisions relating to the conditions for awarding benefit and for the assessment of the rate of benefit, the source of funds, for separate accounting and for the financial administration of the said insurance and the setting up of an advisory council.

DIVISION 3

Supplementary Pension Insurance (připojištění)

143.

(1) The Central National Insurance Institution may insure on the basis of individual or collective contracts:

a) insured persons for the benefit set out in section 60 or in section 26, subsection 3, at a higher rate of contributions or on different conditions,

b) pensioners for pension benefits or dependants' pension benefits at a higher rate of benefit,

c) persons under section 4, for industrial accident compensation under section 76 et sequ., and on the conditions set out in section 117, subsection 3, and in section 137.

(2) The Central National Insurance Institution shall issue conditions and rates of contributions for this insurance not later than June 30th, 1949.

144.

The Central National Insurance Institution may enter into collective supplementary insurance contracts with certain groups of insured persons as represented by the competent organs of the united trade union organisation or the supreme interest associations. Where the said contract has been approved by the Ministry of Social Welfare and the Ministry competent according to the nature of the employment, the said contract shall be binding for all members of the said organisation, providing membership in the said organisation is not compulsory.

145.

(1) Supplementary insurance under section 143 and 144 shall be operated by the Central National Insurance Institution on a basis of reciprocity with separate accounting and financial administration.

(2) Collective supplementary insurance contracts may

include the reservation that supplementary insurance under the provisions of the contract shall be operated with separate accounting and financial administration and independently of other supplementary insurance.

146.

The Ministry of Social Welfare shall approve the conditions of supplementary insurance both in respect of individual insured persons (individual supplementary insurance) and in respect of groups of insured persons (collective supplementary insurance), as well as the rates of contributions and the rules for supplementary insurance issued by the Central National Insurance Institution.

DIVISION 4

VOLUNTARY INSURANCE

147.

Voluntary Continuation of Sickness Insurance.

(1) A previously insured person who has terminated the insurable employment may continue voluntarily in sickness insurance, provided that within the last 18 months prior to the cessation of insurance, he has been liable to insurance for not less than 180 days under section 2, subsection 1, paragraphs a) to c) and that he continues to reside within the territory of the Czechoslovak Republic.

(2) Application for voluntary continued sickness insurance shall be made before expiry of the protected period. (Sections 52 and 53.)

(3) Unless otherwise prescribed, the provisions of this Act in respect of compulsory insurance shall apply, *mutatis mutandis*, to voluntary continued insurance, save for the provisions of section 52, respecting the protected period, and the provisions of the second sentence of section 40, that is to say, that a previous period of insurance shall not be taken into account.

(4) An application for continued voluntary insurance shall not prejudice the claims of an insured person arising out of compulsory insurance.

(5) Continued voluntary insurance shall begin on the day following the cessation of compulsory insurance.

(6) Continued voluntary insurance shall cease:

a) as from the beginning of compulsory insurance,
b) if contributions have not been paid by the end of any calendar month in which such contributions are payable (subsection 7 of this section), and in that event with effect from the last day of that month,

c) as from the day on which the insured person removes from the territory of the Czechoslovak Republic.

(7) An insured person continuing in voluntary insurance shall pay contributions in respect of the basis of assessment determined, *mutatis mutandis*, in accordance with section 36, subsection 3, in respect of the remuneration period preceding the beginning of continued voluntary insurance, or, if so desired by the said insured person, on one-half of that basis of assessment, but not on less than the upper limit of the lowest class of the basis of assessment under section 36, subsection 2. Such contributions shall be payable in monthly instalments in advance as from the cessation of compulsory insurance. The first instalment shall be payable on or before the fifteenth day after the day on which the insurance institution notifies the insured person of the rate of contributions.

(8) The rate of sickness benefit payable in respect of continued voluntary insurance shall be determined according to the basis of assessment corresponding to the rate of contributions (subsection 7).

148.

Voluntary Continued Pensions Insurance

(1) An insured person may, upon cessation of compulsory insurance, continue in voluntary pension insurance provided that on the day of applying for such

insurance the condition of section 61 is satisfied in relation to him. The provisions of this Act relating to compulsory insurance shall, *mutatis mutandis*, apply to voluntary continued insurance, save where this Act otherwise provides.

(2) Voluntary continued insurance shall begin on the day on which the application therefor is received by the insurance institution, provided that the first contribution is paid within one month after assessment of the rate of contributions.

(3) Voluntary continued insurance shall cease:

a) as from the beginning of compulsory insurance,
b) as from the day on which the insured person becomes an employed person in the public service under section 7,

c) as from the beginning of voluntary insurance under section 150,

d) as from the day on which the insured person is awarded a pension,

e) if the insured person fails to pay contributions for 12 months, and in that event with effect from the last day in respect of which contributions have been paid.

(4) Contributions in continued voluntary insurance shall be determined in accordance with average earnings (section 71, subsection 5), assessed up to the day of cessation of compulsory insurance, and shall be payable by the insured person.

149.

Voluntary Sickness Insurance

(1) Persons not liable for sickness insurance under this Act may, subject to the approval of the insurance institution, be admitted for voluntary insurance.

(2) A person insured under subsection 1 of this section shall become entitled to benefit upon completion of the waiting period set out in subsection 6 of this section, being not less than four and not more than eight weeks. A person insured under the provisions of this section

shall not be entitled to benefit at all in respect of sickness, pregnancy or confinement, provided that the said person was already sick or pregnant at the time of applying for voluntary insurance.

(3) Claims for benefit for an insured person's dependant, shall not be entertained under insurance subject to the provisions of subsection 1.

(4) Persons registering for voluntary sickness insurance shall pay a registration fee at the rate of one month's contribution.

(5) Voluntary sickness insurance shall lapse if contributions are not paid within 15 days after the date of maturity.

(6) Details relating to voluntary insurance, in particular in respect of claim to benefit and rates of contributions (which may be assessed at a flat rate) shall be contained in the directives issued by the Central National Insurance Institution subject to the approval of the Ministry of Social Welfare.

150.

Voluntary Pension Insurance

(1) The Ministry of Social Welfare shall prescribe by way of Notification, after consultation with the Central National Insurance Institution, which persons engaged in the public administration, in representative bodies or other such employment, and regularly remunerated for the said services, may be admitted to voluntary insurance under section 1, paragraph b), provided that such persons are not already insured under section 2, subsection 1, and provided the said persons are not persons in the civil service under section 7. The average earnings shall for this purpose be deemed the basis of assessment under section 20.

(2) Czechoslovak citizens who are permanently employed abroad in the employment of Czechoslovak employers and who are not included in section 3, subsection 4, may be insured on a voluntary basis by the

employer under section 1, paragraph b), subject to the approval of the Central National Insurance Institution. The Central National Insurance Institution may for this purpose prescribe special conditions. In this case employment abroad shall be deemed employment in this country and the remuneration of the said employed persons shall be deemed average earnings, being the basis of assessment under section 20.

(3) Insurance under subsections 1 and 2 of this section shall be deemed compulsory insurance under section 2, subsection 1, paragraph a).

(4) Voluntary insurance shall begin on the day on which the registration thereof is received by the insurance institution, provided that the first contribution instalment is paid within one month of the assessment of the rate of contributions.

(5) Voluntary insurance shall cease in the events set out in section 148, subsection 3, paragraph a), b) and e).

(6) Contributions for voluntary insurance under subsection 1 of this section shall be payable by the insured person, contributions for voluntary insurance under subsection 2 of this section shall be payable by the employer.

(7) The Government is hereby empowered to prescribe by way of Order on what condition the persons set out in subsection 1 of this section shall be liable for insurance under section 1 of this Act.

DIVISION 5

151.

Granting of Benefit to Non-insured Persons

The Ministry of Social Welfare may, in concurrence with the other Ministries concerned, and after consultation with the Central National Insurance Institution, instruct the latter to provide treatment in sickness, maternity assistance and other description of benefit of

sickness insurance to certain classes of persons not insured under this Act, in particular to students, and to members of religious orders and associations engaged in educational or health or social service, on payment of appropriate compensation assessed at a flat rate.

PART V

ADMINISTRATION AND FINANCE OF NATIONAL INSURANCE

DIVISION 1

The Central National Insurance Institution

152.

(1) All branches of national insurance shall be operated by a single body (nositel pojištění), the Central National Insurance Institution.

(2) The Central National Insurance Institution shall be a body corporate, permanently resident in Prague.

(3) In matters pertaining exclusively to the jurisdiction of the territorial administrative departments of the Central National Insurance Institution, the Central National Insurance Institution may be sued in a court of law in the district wherein the said territorial administrative department is resident.

153.

The Central National Insurance Institution shall discharge its function under this Act through the instrumentality of its head office (sections 154 to 165) and through the instrumentality of its territorial administrative bodies, which shall be:

1. national insurance institutions (section 166 to 173), the territorial jurisdiction and residence of which shall

be prescribed by Government Order, taking into consideration the special position of Slovakia,

2. district national insurance institutions (sections 174 to 181).

154.

(1) The Central National Insurance Institution through its head office shall, in particular:

direct, administer and unify the work of all sections of national insurance and supervise that work, issue directives and fundamental rules governing the operation of insurance, centralise and direct the departments of insurance mathematics, statistics, registration, finance, technical services, accounts and public relations, direct the health services (establishment and operation of hospitals, recreation homes and convalescent centres, health resorts, dispensaries, etc.), direct the operation of accident prevention, guard the interests of national insurance, submit proposals and expert advice in all matters of national insurance and supervise the implementation of other tasks common to all sectors of national insurance and to all the territorial departments thereof.

(2) The Central National Insurance Institution may delegate the implementation of certain of the tasks set out in subsection 1 of this section to some or all of the territorial administrative bodies. It may also take over the implementation of certain of the tasks (section 166, subsection 1) of the territorial administrative departments.

Central Organs

155.

The organs of the Central National Insurance Institution shall be

- a) the assembly of delegates (sections 158 and 157),
- b) the presidium of the Central National Insurance Institution (sections 158 to 157),
- c) the audit commission of the Central National Insurance Institution (sections 162 and 163),

d) the directorate of the Central National Insurance Institution (sections 164 and 165).

The Assembly of Delegates

156.

The assembly of delegates shall consist of the president and the vicepresidents of the Central National Insurance Institution and of the members (substitute members) delegated by the managing bodies of the National Insurance Institutions (section 168, and section 170, subsection 2), the number of which shall be determined by the standing orders (section 182).

157.

(1) The assembly of delegates shall be competent:

1. to take decisions in respect of the guiding principles of the activity of the Central National Insurance Institution,

2. to take decisions in respect of and adopt the economic and financial plan and estimate of the Central National Insurance Institution.

3. to approve reports in respect of the activity of the institution and the final accounts thereof,

4. to elect from among the insured persons, but in no event from among the delegates, the president and vicepresidents of the Central National Insurance Institution, the other members (substitute members) of the presidium, and the members (substitute members) of the audit commission of the Central National Insurance Institution,

5. to prescribe, subject to the approval of the Ministry of Social Welfare, compensation and remuneration for the members of the representative bodies of the National Insurance Institutions and the administrative departments thereof.

(2) The directorate of the Central National Insurance Institution shall present reports to the assembly of delegates regarding the work of the insurance institution

and its territorial bodies, and regarding the position of national insurance.

(3) Meetings of the assembly of delegates shall be convened by the president of the Central National Insurance Institution not less than twice in each year. The president shall further summon the assembly of delegates within one month whenever not less than one third of the delegates apply for it.

The Presidium

158.

(1) This presidium of the Central National Insurance Institution shall consist of the president and two vice-presidents of the Central National Insurance Institution and nine members (substitute members).

(2) Of the whole number of members (substitute members) including the President and vicepresident there shall be two-thirds of insured persons from the Czech provinces and one third from Slovakia.

(3) The members (substitute members) of the presidium shall be so selected that their expert competence be assured and that all sections of insured persons be suitably represented.

159.

(1) The president and the two vicepresidents of the Central National Insurance Institution shall be elected by the assembly of delegates. The election shall be confirmed by the President of the Republic. Where the president of the Institution is a Czech the first vicepresident shall be a Slovak, and vice versa. The president shall be resident in Prague.

(2) The rights and duties of the president shall be prescribed by the standing orders; in particular, the president shall summon the assembly of delegates and the presidium and preside over the session. He shall vote only in the event of an even vote.

(3) Where the president is of the opinion that a de-

cision of the assembly of delegates is inconsistent with a valid regulation he shall be entitled and liable to submit the said decision to the final approval of the Ministry of Social Welfare and to stay the execution thereof pending that approval. If the Ministry of Social Welfare does not decide within one month, the decision of the assembly shall come into force.

(4) If the president is prevented, his office shall pass to the vicepresidents in order of precedence.

160.

(1) The presidium shall be responsible for the operation of national insurance save where this Act, the standing orders or other regulations entrust that function or part thereof to other organs.

The presidium shall in particular:

1. elect the members of the expert commissions (section 161),

2. appoint the members of the directorate of the Central National Insurance Institution,

3. establish and organise the district national insurance institutions (section 174),

4. approve the appointment of the members of the directorates of the national insurance institutions (section 173) and of the district national insurance institutions (section 181),

5. issue the standing orders and amend the same (section 192),

6. issue instructions for the directorate of the Central National Insurance Institution (section 165) and for the directorates of the national insurance institutions (section 173) and amend the same,

7. decide whether real property shall be acquired by the insurance institution, and whether the said property shall be mortgaged or disposed of in order to make good losses (save for property acquired in bankruptcy and distraint proceedings),

8. issue instructions respecting the investment of the

capital of the Central National Insurance Institution,

9. issue standing orders respecting rules of service and discipline for the employees of the Central National Insurance Institution (section 188) and on the basis thereof determine the number of definitive appointments in national insurance and the number of service appointments under permanent contract,

10. engage and dismiss the employees of the head office,

11. issue the treatment code (section 59) and amend the same,

12. submit proposals to the Ministry of Social Welfare respecting the unified regulation of the operation of the health services and approve general directives and agreements in connection with the matters aforesaid,

13. negotiate mutual agreements with hospitals and other institutions of treatment,

14. draft proposals for consideration by the assembly of delegates,

15. take measures to obviate social hardship that may be sustained in connection with the operation of this Act,

16. resolve on matters reserved for resolution by itself or such as the directorate submits.

(2) The presidium may delegate certain specific tasks to the directorate of the Central National Insurance Institution or to the national insurance institutions.

(3) Members of the presidium may take part in the sessions of the assembly of delegates and shall have an advisory vote.

161.

(1) For the purpose of dealing with matters of a specific character the presidium may set up expert commissions. Members of the said commissions may be, apart from members of the presidium or substitute members, other representatives of insured persons, the

expert qualifications of whom ensure the proper discharge of the function of the said commission.

(2) The presidium shall in particular set up the health council of the Central National Insurance Institution (section 194) as an expert commission for the study of health service proper.

(3) Further details in respect of the composition and competence of the aforesaid commissions shall be prescribed by the standing orders.

The Audit Commission of the Central National Insurance Institution

162.

(1) The audit commission of the Central National Insurance Institution shall consist of six members (substitute members), elected by the assembly of delegates from among insured persons. No one who is a member of a representative body (sections 156, 158, 168 and 177) or another audit commission (sections 172 and 180) or an employee of the Central National Insurance Institution may at the same time be a member of the audit commission of the central national insurance institution.

(2) Of the whole number of members and their substitutes there shall be four members (substitute members) from the Czech provinces, and two members (substitute members) from Slovakia.

(3) The audit commission of the Central National Insurance Institution shall elect from among the members a chairman (vice-chairman) who shall thereafter summon and direct the meetings of the said commission. Where the chairman is a Czech, the vice-chairman shall be a Slovak and vice versa.

(4) The members of the audit commission shall be so selected as to assure their expert qualification.

(5) Experts who are not members of a commission may be invited to attend the sessions of the said commission, subject to the approval of the presidium.

The audit commission of the Central National Insurance Institution shall carry out the audit of the financial administration of the Central National Insurance Institution and shall examine the final accounts and the annual reports. The Commission shall report to the presidium and where necessary also to the assembly of delegates.

The Directorate of the Central National Insurance Institution

The directorate of the Central National Insurance Institution shall consist of five members of which not less than one shall be a Slovak. One of the members of the directorate, being a doctor, shall direct the health service. The members of the directorate shall be appointed by the presidium subject to the approval of the Ministry of Social Welfare which in the matter of the aforesaid Slovak member shall be guided by the decision of the Commissioner's Department for Social Welfare.

(1) The directorate of the Central National Insurance Institution shall be the executive organ of the Central National Insurance Institution.

(2) The directorate shall direct the work of the Central National Insurance Institution, submit proposals and reports to the presidium and the assembly of delegates, carry into effect the former's decisions and be competent in all matters not within the competence of the assembly of delegates or the presidium.

(3) The members of the directorate shall take part in the meeting of the presidium and the expert commissions thereof and in the sessions of the assembly of delegates, having an advisory vote.

(4) The president of the Central National Insurance Institution (the acting vice-president) may take part in the meetings of the directorate and preside thereover.

(5) The competence of the directorate and of the individual members thereof and their being represented by other members shall be further regulated by instructions issued by the presidium. These instructions shall also prescribe in particular on what conditions the individual members of the directorate may submit proposals to the presidium.

National Insurance Institutions

166.

(1) The national insurance institutions shall

a) direct and supervise the activity of the district national insurance institutions,

b) decide in respect of pension insurance benefit and make payment thereof and carry into effect all matters connected therewith, in particular the supervision of pensioners, and take part in the operation of accident prevention,

c) direct the health services and take part in the administration of the medical care of insured persons and pensioners and, as the case may be, their dependants, in pursuance of the provisions of the treatment code,

d) co-operate in making credit available within the total frame-work of the economic plan and the national insurance estimates,

e) administer hospitals and other institutions of treatment and the equipment thereof, save for such institutions the administration of which may be reserved to the head office by the presidium,

f) participate, in pursuance of the directives issued by the head office in the registration and statistical services,

g) carry into effect the tasks delegated under section 154, subsection 2,

h) represent, within the limits of their competence, the Central National Insurance Institution at court and in dealings with departments of State.

(2) A national insurance institution may delegate the carrying out of certain tasks to a district national insurance institution within the area of its jurisdiction.

167.

The organs of the national insurance institutions shall be:

- a) The administrative council (sections 168—171),
- b) The audit commission of the national insurance institution (section 172),
- c) the directorate of the national insurance institution (section 173).

Administrative Council

168.

(1) The administrative council (hereinafter to be known as the council) shall consist of twelve members (substitute members) elected from among insured persons by the administrative committee of the district national insurance institutions that are within the territorial jurisdiction of the respective national insurance institutions.

(2) The provisions of section 158, subsection 3 shall apply, *mutatis mutandis*.

169.

(1) The council shall elect from among its members a chairman and two vice-chairmen.

(2) The rights and duties of the chairman shall be prescribed by the standing orders.

(3) Where the chairman is of the opinion that a decision of the council violates valid regulations, he shall be entitled and liable to submit the said decision to the final decision of the presidium and to stay the execution

thereof pending the decision of that body. Unless the presidium decides within one month, the said decision shall come into force.

170.

The council shall be competent to deal with the management of the national insurance institution provided that the management thereof is not by this Act, the standing orders or any other regulations entrusted to other organs. It shall be competent in particular to:

1. elect its chairman and vice-chairmen and members of the expert commissions,

2. elect the members of the assembly of delegates (section 156) in pursuance of the provisions of the election rules (section 182) and of the Government Order relating to the setting up of national insurance institutions (section 153, No. 1),

3. elect the members (substitute members) of the audit commission,

4. appoint, subject to sanction by the presidium, the members of the directorate of the national insurance institutions and of the district national insurance institutions (section 181) within its area of jurisdiction,

5. adopt the annual sectional estimates of the national insurance institution within the total framework of the economic plan and of the national insurance budget (section 157, subsection 1, No. 2) and approve the annual report in respect of the activity and the actuarial report of the financial administration of the national insurance institution,

6. take decision in matters of a fundamental nature which it reserves to itself or which are submitted for decision by the directorate of the national insurance institution.

171.

(1) For dealing with matters of a specific character the council shall set up expert commissions. The provisions of section 161, subsection 1, 2nd sentence, and of subsection 2 shall apply, *mutatis mutandis*.

(2) The council may delegate certain matters of administration to the directorate of the national insurance institution.

Audit Commission of National Insurance Institutions

172.

(1) The audit commission of a national insurance institution shall consist of three members (substitute members), elected by the council from among insured persons. To this election the provision of section 162, subsection 1, 2nd sentence, subsection 3, 1st sentence, and subsections 4 and 5 shall apply, *mutatis mutandis*.

(2) The audit commission shall supervise and inspect the financial administration of the national insurance institution. It shall submit periodic reports of the results of such revision to the council or also to the presidium and the audit commission of the Central National Insurance Institution provided that these are requested by these bodies.

173.

The Directorate of the National Insurance Institution

(1) The directorate of a national insurance institution shall consist of not more than four members. One of the members of the directorate, being a doctor, shall direct the health service. The members of the directorate shall be appointed by the council of the national insurance institution. The said appointment shall be subject to the approval of the presidium.

(2) The directorate shall be the executive organ of the national insurance institution. It shall direct the work of the national insurance institution, submit proposals and reports to the council, implement the decisions of that body and take decisions in all matters not within the competence of the council.

(3) The members of the directorate shall take part

in the sessions of the council and the expert commissions thereof, having an advisory vote.

(4) The chairman of the council or the acting vice-chairman may take part in the meetings of the directorate and preside thereover.

(5) The competence of the directorate and of its individual members and their being represented by other members shall be further regulated by instructions issued by the presidium. These instructions shall prescribe also, in particular, on what conditions the individual members of the directorate may submit their own proposals to the council.

District National Insurance Institutions

174.

(1) The Central National Insurance Institution shall, subject to the approval of the Ministry of Social Welfare, set up district national insurance institutions and prescribe the area of jurisdiction thereof, with a view towards the number of insured persons in that area, local requirements, and the effective operation of insurance. The Central National Insurance Institution may alter the area of jurisdiction of a district national insurance institution and merge several district national insurance institutions. In Slovakia the said authority shall be exercised on the proposal of the National Insurance Institution for Slovakia.

(2) The Central National Insurance Institution may prescribe that the competence of the district national insurance institution at the place of residence of the competent national insurance institution shall be discharged by the said national insurance institution. In this respect the provisions relating to the local jurisdiction of the district national insurance institutions (section 218) as well as other regulations relating to district national insurance institutions shall apply to the said national insurance institution.

(3) Regulations made under subsections 1 and 2 of this section shall be issued by way of Notification in the Official Gazette.

175.

(1) A district national insurance institution shall:

a) accept registrations of engagement and termination thereof for the purpose of insurance, as well as other notices for this purpose,

b) collect, assess and recover contributions,

c) determine benefits of sickness insurance and carry out all matters connected with the provision thereof,

d) carry out within the limits of the power conferred in pursuance of section 154, subsection 2 or section 166, subsection 2, other tasks connected with national insurance,

e) within the limits of their competence act on behalf of the Central National Insurance Institution at court and in dealings with departments of State.

(2) The Central National Insurance Institution may by way of Notification in the Official Gazette issue directives in respect of what further tasks of national insurance other than those which are set out in subsection 1 of this section shall be carried out by the district national insurance institutions and which of the tasks there set out shall in certain cases be delegated to other sections of the Central National Insurance Institution or, as the case may be, and if so required, to branch offices of the district national insurance institutions which in undertakings act in co-operation with the employees' representative bodies.

(3) The district national insurance institutions shall in their activity be guided by the directives of the Central National Insurance Institution and the competent national insurance institution.

The organs of the district national insurance institutions shall be:

- a) administrative committee (sections 177—179) (hereinafter to be known as the committee),
- b) the audit commission of the district national insurance institution (section 180),
- c) the directorate of the district national insurance institution (section 181).

The Committee

The committee shall consist of ten members (substitute members) elected by the insured persons from among themselves.

(1) The committee shall elect from among its members a chairman and a vice-chairman whose rights and duties shall be prescribed by the standing orders.

(2) The chairman (acting vice-chairman) of the committee shall be entitled and liable to submit to the council of the competent national insurance institution without delay those decisions of the committee in respect of which he is of the opinion that they violate the respective regulations and to stay the execution thereof pending the council's decision.

(1) The committee shall be competent to deal with the management of the district national insurance institution provided this Act or the standing orders or any other regulation do not entrust this competence to other organs. The committee shall in particular be competent to

- 1. elect from among the insured persons the members (substitute members) of the council of the respective

national insurance institution (section 168, subsection 1),

2. elect its own chairman, vice-chairman and the members of the expert commissions,

3. elect the members and substitute members of the audit commission,

4. adopt the annual sectional estimates of the district national insurance institution within the total framework of the economic plan and the national insurance budget (section 157, subsection 1, No. 2) and to approve the annual report of the activity and the actuarial report of the financial administration of the district national insurance institution,

5. ensure the operation of medical treatment in pursuance of the treatment code (section 59),

6. take decisions in respect of assistance to be rendered out of the relief fund (section 204),

7. take decisions in respect of matters which it reserves to itself or which are referred to it by the directorate.

(2) The committee may, for dealing with matters of a specific nature, set up special commissions. The provisions of section 161, subsection 1, 2nd sentence, and of subsection 3 of that section shall apply, *mutatis mutandis*.

180.

The Audit Commission of the District National Insurance Institution

(1) The audit commission of a district national insurance institution shall consist of three members (substitute members) elected by the committee from among insured persons. The provisions of section 162, subsection 1, 2nd sentence, subsection 3, 1st sentence and subsections 4 and 5 shall apply, *mutatis mutandis*.

(2) The audit commission shall carry out not less than once in each quarter year an audit of the books and the accounts of the insurance institution and of all relevant documents. It shall make a report of the

results of the said audit to the committee or, as required, to the council and the audit commission of the competent national insurance institution or the presidium and the audit commission of the Central National Insurance Institution where these bodies so request.

181.

The Directorate of the District National Insurance Institution

(1) The directorate shall be the executive organ of the district national insurance institution. It shall consist of two members which shall be jointly responsible for the direction of the district national insurance institution. One of them, being a doctor, shall direct the health service of the district national insurance institution, and the other shall direct the other activities of the district national insurance institution.

(2) Where a district national insurance institution caters during three successive calendar years for an average number of not less than 100,000 insured persons, the presidium may direct that the directorate of the said insurance institution shall consist of three members, one of which, being a doctor, shall direct the health service. If and when this condition ceases to be satisfied, the presidium may annul the said directive.

(3) The members of the directorate shall be appointed by the council of the national insurance institution having competence over the area of the District National Insurance Institution. The said appointment shall be subject to the approval of the presidium.

(4) The directorate shall direct the work of the district national insurance institution, submit proposals to the committee, implement the decisions thereof and decide in all matters not of the competence of the committee.

(5) The members of the directorate shall take part in the sessions of the committee, having an advisory vote.

(6) The chairman (acting vice-chairman) of the committee may take part in the meetings of the directorate and preside thereover.

(7) The competence of the directorate and of the individual members thereof and their being represented by other members shall be regulated by directives and service instructions issued by the head office, or as the case may be, by the national insurance institution. The said instructions shall prescribe also, in particular, on what conditions the individual members of the directorate may submit their own proposals to the committee.

Joint Administrative Provisions Representative Bodies

182.

(1) Persons insured in national insurance shall, by direct and secret vote, elect the members (substitute members) of the committee of the district national insurance institution.

(2) Other representative bodies under this Act shall be elected by indirect vote, subject to the provisions of this Act and of the election rules.

(3) The election of the members of the committee of district national insurance institutions under subsection 1 of this section shall be the function of insured persons who are Czechoslovak citizens, have completed the 18th year of age and are not disfranchised. The election of the members of the other representative bodies (subsection 2 of this section) shall be the function of the members of that representative body which under this Act is competent to carry out the said election.

(4) The right to be elected shall belong to persons insured under national insurance who are entitled to the vote, have completed the 21st year of age and are eligible.

(5) Elections shall be carried out on the basis of lists of candidates submitted by the united trade union organisation, by the supreme farmers' association and one other trade or professional association in respect of which it is set out in the election rules that it shall be entitled to submit candidates representing the other groups of insured persons.

(6) The Government shall issue the national insurance election rules by way of Order.

183.

(1) The presidium of the Central National Insurance Institution may dissolve the council of a national insurance institution or the committee of a district national insurance institution where the said bodies are not properly carrying out their duties, or where, in violation of repeated warnings, they do not observe the regulations, or where they carry out the said administration to the detriment of national insurance and in the place of these appoint an administrative commission from among the insured persons for the said district national insurance institution. In Slovakia this shall be done after consultation with the council of the National Insurance Institution of Slovakia.

(2) The Central National Insurance Institution shall be liable within a period not exceeding two months after a dissolution to hold new elections of members of the representative bodies for the remainder of the term of office and to ensure the speedy completion of the said elections and the establishment of the newly elected representative body.

184.

Where in a representative body a number of members resign or are otherwise unavailable so that even being supplemented by substitute members, that representative body falls short of the prescribed number of

members, a by-election shall be held in respect of the remainder of the term of office.

185.

The term of office of the representative bodies shall be four years. The members (substitute members) of the said bodies shall remain in office upon completion of that period until such time as their successors take office.

186.

(1) Membership in the representative bodies shall be an honorary function. Members (substitute members) shall be entitled to compensation for out-of-pocket expenses and in respect of loss of time and earnings. Such compensation may be assessed as a lump sum.

(2) The assembly of delegates may, with the approval of the Ministry of Social Welfare prescribe for the presidents and vice-presidents of the representative bodies and the chairmen and vice-chairmen of the Central National Insurance Institution and the administrative departments thereof a recurrent remuneration arising out of that function.

(3) Members of the territorial administrative departments shall be liable, irrespective of the disciplinary liability of members of the directorate, for loss incurred by virtue of that they with intent or from gross negligence failed to discharge or violated the duties incumbent upon them by virtue of their office. Damages shall be determined by an ordinary court on the basis of a charge brought by the Central National Insurance Institution.

187.

Detailed regulations in respect of the establishment of representative bodies, loss of membership therein and the office of substitute members as well as in respect of the dissolution of these bodies and the bringing up to strength thereof shall be made by Government Order.

Employees of the Central Insurance Institution

188.

The conditions of work and remuneration of the employees of the Central National Insurance Institution shall conform to the valid regulations in respect of persons employed under private contract of service. Regulations in respect of the legal position of such employees, their engagement and dismissal, disciplinary action taken against them, service and superannuation allowances and of all other matters pertaining to the contract of service of the said employees shall be issued by the presidium by way of service and disciplinary rules which shall be subject to the approval of the Ministries of Social Welfare and of Finance, save that, in respect of persons employed in the medical and health services the said rules shall be issued in concurrence with the Ministry of Health.

(2) The employees of the Central National Insurance Institution shall in their official capacity be deemed persons in the civil service and shall be granted the same protection as persons in the civil service. Save for the foregoing provision the regulations issued in respect of persons employed in the civil service shall not apply to them.

189.

Persons in the employment of the Central National Insurance Institution shall be subject, in pursuance of the further detailed provisions of the service and disciplinary rules, to the ex officio power of the head office, which may exercise the said power also through the instrumentality of the competent national insurance institutions and district national insurance institution.

190.

(1) Persons in the employment of the head office shall be engaged and dismissed by the presidium on the

proposal of the directorate of the Central National Insurance Institution. The staff of the head office shall include a suitable proportion of employees of Slovak nationality.

(2) Employees who are to be attached for service to a national insurance institution, save for the persons set out in subsection 3 of this section, shall be engaged and dismissed in pursuance of the general directives issued by the head office, by the council of the national insurance institution on the proposal of the directorate of that national insurance institution, which latter body shall also determine the terms of service of the aforesaid employees. Employees who are to be attached to district national insurance institutions shall be, save for the employees set out in subsections 3 and 4 of this section, engaged and dismissed on the same conditions by the council of the national insurance institution on the proposal of the directorate of the competent district national insurance institution.

(3) Employees of institutes of treatment and other institutes and undertakings under the control of national insurance shall be engaged and dismissed in pursuance of the general directives issued by the head office by that territorial administrative department of the Central National Insurance Institution which is charged with the management of the aforesaid institute or undertaking or, as the case may be, by the management of that institute or undertaking itself.

(4) The committee of a district national insurance institution may engage and dismiss in pursuance of the general directives issued by the Central National Insurance Institution auxiliary personnel for employment in the service of a district national insurance institution.

(5) The representative bodies may delegate the power to engage and dismiss employees to the respective directorates.

191.

(1) The directorate of a national insurance institution may within the area of its jurisdiction and in pur-

suance of the further detailed provisions of the service and disciplinary code attach or transfer employees by way of service to a national insurance institution or to a district national insurance institution, or as the case may be, to a specific institute of treatment or other institute or undertaking.

(2) The directorate of the Central National Insurance Institution may in pursuance of the further detailed provisions attach or transfer employees by way of service either to the head office or to a specific territorial administrative department or, as the case may be, to a specific institute of treatment or other institute or undertaking.

(3) Where the transfer is not carried out for disciplinary reasons, due attention shall be paid in the attachment and transfer of employees under subsections 1 and 2 of this section to the personal and family circumstances of the said employees.

192.

Standing Orders

(1) The standing orders of the Central National Insurance Institution and of its administrative departments shall be issued by the presidium and with the approval of the Ministry of Social Welfare.

(2) The standing orders shall in particular include regulations in respect of:

a) the composition, convention, proceedings and decisions of the representative bodies (sections 156, 158, 168 and 177), the audit commissions (sections 162, 172, and 180), and the expert commissions,

b) the competence of these bodies and the rights and duties of the presidents and members thereof,

c) the internal organisation and proceedings of the Central National Insurance Institution and its territorial administrative departments as well as in respect of service subordination and accountability, save where the aforesaid provisions shall be set out in the instructions

issued for the directorate (section 165, subsection 5, section 173, subsection 5, and section 181, subsection 7),

d) the manner of representing the Central National Insurance Institution in public, legally binding acts and the official procedure of the said insurance institution,

e) the manner of publication of the official notices of the Central National Insurance Institution.

DIVISION 2

Health Service Organisation

193.

The health service of national insurance including the distribution of doctors and other health-workers, shall be operated through a national health service plan as a section of the uniform national economic plan.

194.

The Health Council of the Central National Insurance Institution

(1) The health council of the Central National Insurance Institution (section 161, subsection 2) shall be the supreme advisory organ of the Central National Insurance Institution in all matters connected with the operation of the national insurance health services.

(2) The health council shall consist of experts drawn from the teaching staffs of the medical faculties of universities, from medical practitioners engaged in public health work, from medical practitioners under contract to insurance institutions and from other workers in the national insurance health departments.

195.

Medical Service Organisation

(1) The insurance institution shall ensure medical assistance being available at all times in pursuance of the provisions of section 27, subsection 1.

(2) The provisions of subsection 1 of this section shall in no way be deemed to prejudice the employer's liability as prescribed by regulations for the protection of health and life of employed persons.

196.

(1) The public authority granting permission to a medical practitioner to engage in medical practice on his own account may, where the said practitioner is carrying on the said practice within the area of jurisdiction of a district national insurance institution, at the proposal of the insurance institution, require the said practitioner to undertake, on the conditions set out in section 197, within the area of jurisdiction of that insurance institution, work directed towards implementing the tasks of the insurance institution under section 195, subsection 1. The aforesaid authority shall act in concurrence with the insurance institution's proposal save where the medical practitioner concerned submits valid reasons to the contrary.

(2) The public authority granting permission to a medical practitioner to engage in medical practice on his own account may, at the proposal of that practitioner, being a practitioner who carries on the said medical practice within the area of jurisdiction of a district national insurance institution, require the insurance institution to accept the said practitioner's services under contract of service on the conditions set out in section 197. The said authority shall act in accordance with the practitioner's suggestions save where the insurance institution rejects the said proposal for valid reasons connected with either the said practitioner's personal character or the fact that the medical services for insured persons within the area of jurisdiction of the said district national insurance institutions are already adequately staffed in pursuance of the provisions of the unified health plan (section 193).

Health Service for Insurance Institutions

(1) Doctors and other public health workers (subsection 5 of this section) shall discharge their function on behalf of the insurance institution in accordance with their best faith and knowledge.

(2) A doctor under contract to the insurance institution shall treat an insured person and dependants of that person for fees established by way of notification under subsections 3 and 4 of this section. Further, a doctor, not being a doctor under contract to the insurance institution, shall be entitled to charge for rendering first aid to an insured person or to the dependants of that person a fee not exceeding that prescribed under subsections 3 and 4 of this section.

(3) The conditions of medical service as also the conditions on which doctors under contract to the insurance institution are engaged and dismissed shall be prescribed and amended at the proposal of the Central National Insurance Institution; this proposal shall be made in concurrence with the united trade union organisation, or, where no such concurrence is forthcoming, at the proposal of the Central National Insurance Institution, or, as the case may be, of the united trade union organisation, by the Ministry of Social Welfare jointly with the Ministry of Health by way of Notification in the Official Gazette.

(4) The said Notification shall in particular prescribe:

a) the manner of determining the scale of fees payable in respect of medical assistance rendered,

b) the manner of settling disputes arising out of the implementation of the said Notification; such disputes shall be settled by an arbitration commission the chairman and vice-chairman whereof shall be appointed by the Minister of Social Welfare in concurrence with the Minister of Health; the said Notification shall set out

further provisions relating to the composition and proceedings of the said arbitration commission.

(5) Subject to the provisions of the foregoing subsections, *mutatis mutandis*, and after consultation with the united trade union organisation, conditions may be prescribed for services rendered by pharmacists, dentists, qualified dental mechanics, nurses (male or female), obstetric assistants, social workers and other auxiliary health workers.

198.

Relations between the Insurance Institution and Public Hospitals

(1) Public hospitals shall, against a voucher made out by an insurance institution or medical officer of that institution, admit a person, being a person entitled to institutional treatment, for treatment and render to him necessary treatment for such time as is required by the state of health of that person.

(2) Hospitals shall admit a person without the condition set out in subsection 1 of this section being satisfied, where the said person suffers from an infectious disease, being a disease set out in the regulations relating to the combating of infectious diseases, or in the regulations prescribing protective measures against tuberculosis; or where the life of the said person is in danger.

(3) The hospital shall give notice in writing to the insurance institution within a period not exceeding 3 days as to whether the patient has been admitted or released (subsection 1 and 2 of this section).

(4) The insurance institution shall be liable to defray expenses connected with the institutional treatment of persons under subsections 1 and 2 this section in public hospitals in accordance with the scale determined by the Ministry of Health in concurrence with the Ministry of Social Welfare. At the proposal of the Central National Insurance Institution the Ministry of Social Wel-

fare in concurrence with the Ministry of Health and the Ministry of Finance may prescribe a method of payment at variance with the foregoing provision, in particular by a lump sum.

(5) Public hospitals shall not be entitled to claim or recover from persons under treatment (subsection 1 and 2 of this section) nor from persons liable for the maintenance of the aforesaid persons, whatever treatment expenses or any payment supplementary thereto, save for additional charges in respect of private rooms. Legal proceedings violating this provision shall be null and void; payments made in violation of this provision shall be deemed payments made without legal liability.

(6) Expenses in respect of out-patient treatment in public hospitals provided on a voucher of the insurance institution shall be defrayed by the insurance institution at the rates prescribed by the Ministry of Health in concurrence with the Ministry of Social Welfare. The insurance institution shall participate in the management of public hospitals. Details shall be prescribed by the Ministry of Health in concurrence with the Ministry of Social Welfare.

199.

The provisions of section 198 shall apply, *mutatis mutandis*, to other health institutions.

DIVISION 3

FINANCIAL MANAGEMENT OF THE CENTRAL NATIONAL INSURANCE INSTITUTION

200.

The Economic Plan

The Central National Insurance Institution shall in pursuance of the national directives issued under the uniform national economic plan draw up a longterm plan and financial estimates. In addition, the insurance institution shall draw up in advance an annual plan and financial estimates.

Separate Financial Management

The Central National Insurance Institution shall separately administer and account for sickness and pension insurance. Similarly the financial management and accounting of the insurance of employed persons and of self-employed persons and persons in family employment, being members of the family of self-employed persons, shall be carried out separately.

Principal Capital of National Insurance

The principal capital of national insurance shall consist in real property and equipment of the Central National Insurance Institution serving for the implementation of the tasks of national insurance under this Act. The basic capital shall be deemed stock reserved for special use and the value thereof shall be accounted separately.

Sickness Insurance Reserve Fund

(1) The Central National Insurance Institution shall create and augment in addition to the principal capital and relief fund a sickness insurance reserve fund.

(2) The said reserve fund shall consist of a sum not less than one quarter of the average annual expenditure over the preceding three years and not exceeding one half of the average annual expenditure over that period.

(3) Where it appears that receipts are not sufficient to defray expenses and where the reserve fund is less than the minimum set out in subsection 2 of this section and is likely to continue to be so, insurance contribution shall be increased subject to the provisions of sections 118, subsection 1.

Sickness Insurance Relief Fund

(1) There shall be created by every district national insurance institution a sickness insurance relief fund into which shall be paid compensations under section 18, subsection 2 and section 113, subsection 1 and a suitable proportion of fines under section 18, subsection 1 and section 19, as well as gifts and subscriptions. The Central National Insurance Institution may pay a special contribution into these relief funds.

(2) The District National Insurance Institution may out of the relief fund and in pursuance of the directives of the head office pay in cases deserving of special consideration assistance to insured persons and the dependants of such persons who are not entitled to sickness insurance benefit, but in relation to whom such assistance in consideration of the facts of the case appears necessary and expedient. There may be paid out of the relief fund in pursuance of the directives of the head office other relief serving the purposes of this Act.

Pension Insurance Relief Fund

(1) There shall be created by every national insurance institution a pension relief fund into which shall be paid compensation under section 113, subsection 2 and a suitable proportion of fines under section 18, subsection 1 and section 19, as well as gifts. The Central National Insurance Institution may make a special contribution to this fund.

(2) There shall be paid out of the pension relief fund under subsection 1 of this section by the National Insurance Institution assistance in cases deserving of special consideration to such insured persons and the dependants of such persons as are not entitled to pension insurance benefits but in relation to whom such assist-

ance in consideration of their social circumstances appears necessary and effective. Similarly there may be rendered out of these funds other assistance serving the purposes of this Act.

206.

Investment of Property

The property of the Central National Insurance Institution, provided that such property is not principal capital and is not expended on expenses incurred in connection with insurance under this Act or for the purpose of the medical care of insured persons and the dependants of such persons shall be invested subject to directives approved by the Ministry of Social Welfare in concurrence with the Ministry of Finance.

207.

(1) Where the Central National Insurance Institution has made a loan it may utilise hypothecated securities (if the debtor falls in arrears) without legal proceedings and may, subject to due notice being given, offer the said securities publicly for sale. The awards of the Central National Insurance Institution in respect of claims due by virtue of loans, annuities and interest thereon shall be enforceable by judicial distraint.

DIVISION 4

TAX RELIEF AND FINANCIAL PRIVILEGES OF THE CENTRAL NATIONAL INSURANCE INSTITUTION

208.

(1) All legal transactions and documents necessary for the establishment, adjustment and negotiation of the legal relation between, on the one hand, the Central National Insurance Institution, and, on the other hand, public organs and authorities, employers, employed

persons and the dependants of such persons, pensioners, institutes of treatment, medical practitioners and other health-workers (section 197, subsection 5) shall be exempt from stamp duties and taxes. Similarly shall be exempt all documents, official acts and proceedings at court and distraint proceedings, provided they serve the purposes of this Act. The Central National Insurance Institution shall pay in respect of additional insurance (připojištění) (section 143, subsection 1 par. a and b and section 144) duties (zaopatřovací poplatky) at one-half of the prescribed rate. Where the Central National Insurance Institution or its empowered representative so requests, a court shall draw up and issue a true and attested copy of a protocol which shall be exempt from stamp duties and taxes.

(2) The Central National Insurance Institution, the undertakings and funds thereof as well as the undertakings and funds managed thereby, provided the aforesaid serve the purposes of this Act, shall be exempt from the tax on trade profits and from the tax on unearned incomes.

(3) Benefits in Cash shall be exempt from the tax on unearned incomes.

(4) The Central National Insurance Institution the undertakings and funds thereof as well as the undertakings and funds managed thereby shall be exempt from turnover-tax in respect of deliveries made and services rendered, provided the said deliveries and services directly serve the purposes of this Act.

(5) The Central National Insurance Institution, the undertakings and funds thereof as well as the undertakings and funds managed thereby shall be exempt from stamp duties and taxes in respect of legal negotiations and documents with regard to the acquisition or exchange of real property serving the health or administrative purposes of insurance. The aforesaid bodies similarly shall be exempt from stamp duties and

taxes in respect of legal negotiations and documents with regard to the alienation of real property hitherto devoted to the aforesaid purposes, provided that the said property shall be acquired by the state or such other person or body corporate as is liable for exemption from stamp duties and taxes in respect of the aforesaid legal negotiations and documents.

(6) The relief granted to the said capital of insurance institutions under section 6 of the Act No. 76 Sb., dated April 8th 1938, shall fully apply to the Central National Insurance Institution, the undertakings and fund thereof, and administered thereby.

(7) Inasmuch as insurance institutions and institutions charged with public social insurance are subject to other regulations, providing relief and exemption from taxation and which are not set out in section 278, the said regulations shall continue to apply also to the Central National Institution.

209.

(1) The insurance institution shall be entitled, subject to the provisions of the valid regulations, to acquire, establish and operate clinics, out-patient departments, diagnostic departments, institutions of treatment, convalescent homes, recreation homes and other similar institutions within the framework of the national health plan (section 193).

(2) In respect of clinics and out-patient departments the (Austrian) Act relating to the organisation of the public health service, No. 68 R. G. B. L., dated April 30th, 1870 and the analogous provisions of the (Hungarian) Act No XIV, relating to the regulation of the health service dated 1876, shall be null and void.

(3) For the purpose of operating the institutions set out under subsection 1 of this section catering licence shall be required provided that patients are catered for therein.

210.

(1) The insurance institution shall be entitled to acquire, establish, and, subject to appropriate regulations, operate dispensaries for the purpose of national insurance.

(2) The insurance institution shall be entitled, even where it does not operate of a dispensary under subsection 1 of this section, to supply its medical practitioners and insured persons and the dependants of such persons with proprietary medicines as well as medicines the sale of which is not restricted.

(3) The insurance institution may examine the prices charged for the components of prescribed medicines as well as the composition and quality of medicines obtained from pharmacies.

211.

(1) The insurance institution shall be entitled to carry out wholesale purchases of drugs, medicaments, bandaging material, dental equipment, curative, diagnostic, orthopaedic, optical and other aids as well as other medical equipment and instruments on the conditions applying to the wholesale trade and to issue the aforesaid material, aids, instruments and equipment, to medical practitioners, insured persons and the dependants of such persons. In respect of drugs and medicaments the issue thereof shall be subject to the provisions of section 210, subsection 2.

(2) The insurance institution may acquire rights to publish periodical journals on its own account.

PART VI

SUPERVISION OF THE OPERATION OF NATIONAL INSURANCE

212.

(1) The Ministry of Social Welfare shall supervise the operation of national insurance. The supervision in respect of the basic principles of financial admini-

stration shall be the function of the Ministry of Social Welfare in concurrence with the Ministry of Finance.

(2) The financial administration of the Central National Insurance Institution shall be subject to the control of the Supreme Audit Office.

213.

(1) The Ministry of Social Welfare in concurrence with the Ministry of Finance shall approve the plans and estimates of the Central National Insurance Institution.

(2) The actuarial principles of national insurance and any alterations therein as well as the actuarial balance of the Central National Insurance Institution shall be subject to the approval of the Ministry of Social Welfare.

(3) The Central National Insurance Institution shall submit to the Government through the Ministry of Social Welfare for each calendar year a survey of the position of national insurance together with a report and statistical tables in respect of the financial administration of the institution, of the development of insurance and of the property of the institution, and a report on the investment thereof. This report shall be submitted, in respect of the preceding year not later than at the end of each calendar year.

214.

Decisions of the presidium of the Central National Insurance Institution in respect of the acquisition, disposal or mortgaging of real property (section 160, subsection 1, No. 7) shall require the approval of the Ministries of Social Welfare and Finance, the amount to be expended on the acquisition of the said property or for which the said property shall be disposed or mortgaged exceeds Kčs 30,000,000.—.

(1) The Ministry of Social Welfare shall be entitled to demand the submission by the Central National Insurance Institution of books, documents, minutes of meetings and of all information required for the operation of state supervision.

(2) The Ministry of Social Welfare may require further that the organs of the Central National Insurance Institution be summoned to meet, the subject of discussion being indicated, and may summon the said organs on its own authority where the Central National Insurance Institution has failed to do so.

(3) Where organs of the Central National Insurance Institution have not been set up or where the said organs, having been so set up, fail in their duties under this Act, the Ministry of Social Welfare may, due warning being given, take on its own authority and at the expense of the Central National Insurance Institution, such measures as are within the competence of the said organs.

(1) The Ministry of Social Welfare may dissolve the presidium of the Central National Insurance Institution where the said presidium fails to observe, due warning being given, the statutory regulations and the standing orders or fails to submit to instructions issued in connection with the operation of state supervision, and transfer the management and direction of the Central National Insurance Institution to a commission appointed by the said Ministry. That commission shall administer and act on behalf of the Central National Insurance Institution in pursuance of the regulations otherwise applying to the presidium until such time as a newly elected presidium shall be constituted.

(2) The commission appointed, subject to the provisions the subsection 1, of this section, shall take steps ensure that a new presidium be elected within a period not exceeding three months after the day of dissolution.

PART VII

PROCEDURE AND PENAL PROVISIONS

DIVISION 1

Procedure

217.

(1) The Central National Insurance Institution and the territorial administrative departments thereof shall in the course of implementing this Act issue decisions and measures in respect of the rights and duties of the public by the way of awards (section 222).

(2) Save where this Act or regulations under this Act otherwise provide, applications and notices shall be received, and awards issued, in pursuance of subsection 1 of this section, by the locally competent district national insurance institution.

218.

(1) A district national insurance institution shall be deemed locally competent in respect of the insurance of employed persons in the area in which the insurable employment is carried on; where the said insurable employment is carried on within the area of several district national insurance institutions, that district national insurance institution shall be locally competent which has jurisdiction in the area in which the place of business is situated. The district national insurance institution locally competent for the insurance of self-employed persons and persons in family employment shall be the insurance institution having jurisdiction in the area within which the place of business is situated; in respect of the insurance of other classes of insured persons, that district national insurance institution shall be locally competent

which has jurisdiction in the area in which the insured person is permanently resident.

(2) An employed person, being employed in several employed capacities, shall be insured in each of these capacities by that insurance institution which is competent under the provisions of subsection 1 of this section. Sickness insurance benefit in cash shall, however, be paid out by the insurance institution in the district in which the insured person is permanently resident.

(3) Where a dispute arises regarding the competence of several district national insurance institutions within the area of jurisdiction of one and the same national insurance institution, the question of competence shall be decided by the national insurance institution, in other cases by the head office.

(4) The Central National Insurance Institution shall take measures to ensure that insured persons and the dependants of such persons who temporarily dwell within the jurisdiction of another than the locally competent district national insurance institution or in relation to whom the competence of a district national insurance institution is doubtful, obtain sickness insurance benefit without undue delay through the insurance institution at their place of residence, provided that the conditions prescribed by the treatment code are otherwise satisfied in relation to them.

219.

The local jurisdiction of a national insurance institution shall be governed by the local jurisdiction of the respective district national insurance institution subject to the provisions of section 218. Where this rule implies the competence of several national insurance institutions at the same time, that national insurance institution shall be competent which has jurisdiction in the area in which the insured person is permanently resident.

(1) Save where this Act otherwise provides, the principles of administrative procedure shall govern the proceedings of insurance institutions. Where the manner and matter of the proceedings so permit, the provisions of the Government Order relating to procedure in matters within the competence of the administrative authorities No. 8 Sb. dated January 13th, 1928, and as thereafter amended and supplemented, in particular, the provision of the said Order relating to the reopening of proceedings shall apply.

(2) In addition to the cases set out in section 15 and 16, section 92, subsection 5, section 106 and 121 and section 223, subsection 2, employers and their representatives, insured persons, their dependants and surviving dependants shall be liable when so required by the insurance institution to give the institution and its competent representatives such information as may be required on matters decisive for the purpose insurance and the assessment of benefit.

Co-operation with the Public Authorities, Courts, and other Public Organs

(1) Public offices, courts and other public organs, corporations, institutions and undertakings shall be liable to comply, within the limits of their competence, with requests addressed to them by the insurance institution, further to support in all matters the said institutions and to render them freely and gratuitously all information and data required for the operation and administration of insurance.

(2) Insurance institutions shall in particular be entitled to request the co-operation of the organs of the public administration in carrying on investigations in respect of persons liable for insurance and the

employers, of such persons, as the case may be, as well as of all circumstances decisive for insurance and the settlement of benefit claims.

222.

Awards

(1) The measures taken by the insurance institution shall be communicated to the public by way of written award.

(2) An award respecting liability for insurance shall not be issued unless the party concerned has requested the issue thereof, or where liability for insurance is disputed by one of the parties concerned.

(3) An award respecting benefit shall not be issued where the insurance institution allows the claim for benefit save in respect of pension benefit and single accident insurance payments. An award respecting the withdrawal of sickness benefit shall not be issued save where the beneficiary requests the issue thereof within thirty days after the withdrawal of the benefit by virtue of his being declared capable for work.

(4) An award respecting rejection of a benefit claim, or the suspension, withdrawal or reduction of the rate of benefit, shall contain the reason for the decision.

(5) Every award shall contain instructions respecting legal remedies. Incorrect instructions shall not be detrimental to the person concerned. Where incorrect instructions or no instructions have been given, the award shall become enforceable in default of an appeal within six months after communication.

(6) The insurance institution may, in particular in the course of collecting insurance contributions, communicate awards respecting payment, and other documents, through the instrumentality of employees of the institution.

DIVISION 2

PROCEDURE RESPECTING BENEFITS

Lodgment of Claims

223.

(1) Benefit claims under this Act shall be dealt with upon application by the beneficiary or his legal representative. A person under age but having reached the age of eighteen, may lodge a claim on his own behalf. In lieu of the legal representative of a beneficiary under age, claims in respect of such a beneficiary may be lodged also by a district youth welfare commission, provided the said commission cares for young persons under age. When an insured person refuses to lodge a claim for benefit in respect of a member of his family that member of the insured person's family or legal representative (district youth welfare commission) of that member shall be entitled to lodge the said claim.

(2) Proceedings in respect of industrial accident insurance benefits shall be initiated ex officio on the basis of the accident being reported by the employer, the latter being liable to make the said report within a period not exceeding eight days from the date of the accident. Nothing in this subsection shall be deemed to prejudice the provisions of section 105, subsections 3 and 4.

(3) The entitled person shall lodge a benefit claim with the locally competent district national insurance institution. Lodgment of a claim with another territorial department of the Central National Insurance Institution than that set out in the foregoing sentence, shall not be deemed to prejudice the entitled person.

(4) A person employed in several employed capacities and insured with several district national insurance institutions shall be liable at the same time as lodging a claim for benefit to give notice with which district national insurance institution he is registered for insurance.

(1) The insurance institution may require the person applying for benefit to produce any necessary document proving the claims, and, where the benefit claim is conditional upon a certain state of health, the insurance institution may order a medical examination to be carried out.

(2) Where a claim for pension insurance benefit conditional upon disability or reduced earning capacity has been disallowed because the required proof was not forthcoming, the said claim may be lodged afresh within a year from the date of the communication of the former decision, if, but only if, the said fresh claim is accompanied by a medical certificate to the effect that the state of health of the claimant has since that time substantially deteriorated. This condition shall apply, *mutatis mutandis*, where a pension has been withdrawn by virtue of the fact that the conditions of disability or lack of earning capacity are no longer satisfied.

(3) A claim for benefit in cash which, in spite of an appeal by the insurance institution, has not been supported by the necessary evidence within a period not exceeding six months from the date of the said appeal shall be deemed not to have been lodged, save where production of the said documents within the prescribed period was impossible due to circumstances beyond the claimant's control, and the said documents are produced without delay upon the passing of the impediment.

If an entitled person dies subsequently to a claim for benefit being lodged, further proceedings shall be taken by, and any instalments of benefit payable prior to the entitled person's death shall be claimed by, in this order, the husband, wife, children, father, mother, unmarried wife and brothers and sisters of the deceased, provided that the said persons lived in joint household

with the deceased at the time of death. The condition of living in joint household shall no be enforced in the case of children entitled to orphan's pension.

226.

Public institutes of treatment and cure and clinics shall be liable at the request of the insurance institution as also in the course of proceedings at insurance courts, to carry out necessary medical examinations of persons claiming benefits under this Act, to submit expert opinion on these matters and to issue and make available copies of case-sheets as far as these are necessary for the purpose of taking a decision on a claim for benefit under this Act. The fees payable and the manner of payment in respect of the foregoing services shall be prescribed by the Ministry of Health in concurrence with the Ministry of Social Welfare upon consultation with the united trade union organisation.

227.

(1) A beneficiary shall be liable to report to the insurance institution within 15 days any circumstance being a condition of cessation of benefit. Similarly a beneficiary shall be liable to report to the insurance institution all other circumstances decisive for benefit claims, the rate and the payment thereof. A pensioner shall be liable to forfeit his pension in compensation for damages sustained by the insurance institution by virtue of failure (whether by intent or gross negligence) to satisfy this condition.

(2) A pensioner shall claim an increase of benefit under section 109 par. 1, within a period not exceeding 3 years from the date of the original award of benefit.

(3) Where pension benefit is conditional upon disability or loss of earning capacity payment may be refused or suspended if the pensioner refuses to submit to medical examination or observation, being informed of this eventuality in advance.

DIVISION 3

LEGAL REMEDIES AND ORGANISATION OF INSURANCE COURTS

228.

Legal Remedies

(1) An appeal may be lodged with an insurance court against the awards of the insurance institution.

(2) An appeal shall be lodged within a period not exceeding 30 days after the date of communication of the award and shall be lodged with that insurance institution which issued the contested award, in writing in duplicate or by way of oral protocol. An appeal lodged with another than the competent insurance institution (section 218 and 219) shall be deemed lodged in accordance with the foregoing provisions.

(3) Where the party concerned applies prior to the expiry of the period set out in subsection 2 of this section for an estimate of the pension benefit, the said period shall begin afresh as from the day on which the said estimate was communicated by the insurance institution to that person.

(4) Unless the insurance institution reconsiders its decision within 15 days from the date on which the appeal was lodged, allowing the appeal, it shall be liable within that said period to submit the said appeal to the competent insurance court. The insurance institution shall not be competent to decide upon the formal defects of the appeal.

Insurance Courts

229.

(1) An insurance court shall consist of a chairman, the requisite number of judges by profession and the requisite number of assessors, the latter being insured persons.

(2) The chairman and the other judges by profession shall be appointed by the Minister of Justice in concurrence with the Minister of Social Welfare from among persons qualified to hold office as judges or other persons qualified at law, provided that their expert competence in the sphere of national insurance is assured. The Government shall by way of Order prescribe further conditions for attaining the office of insurance court judge.

(3) Assessors (substitute assessors) shall be appointed by the Minister of Social Welfare from among insured persons and that on the proposal of the united trade union organisation and the interest associations. All classes of insured persons under this Act shall be adequately represented among the assessors.

230.

(1) An assessor of an insurance court shall be eligible to serve on the representative bodies of the Central National Insurance Institution; an assessor may not, however, be a member of a representative body of the Central National Insurance Institution.

(2) The office of assessor of an insurance court shall be honorary. Assessors shall be entitled to compensation in respect of out-of-pocket expenses and loss of time and earnings. The rate of compensation shall be determined by directives issued by the Minister of Justice in concurrence with the Minister of Finance.

(3) The term of office of assessors shall be six years. Assessors shall remain in office upon expiry of this period until such time as their successors take office.

(4) The assessors of insurance courts shall deliver an oath into the hands of the chairman that they will discharge their office conscientiously and impartially and observe the law.

(5) The Minister of Social Welfare shall, on the proposal of the chairman of the insurance court, recall an assessor in relation to whom the conditions of the office of assessors are not satisfied or who permanently

neglects the duties of his office. An assessor who permanently neglects the duties of his office may be awarded by the chairman a disciplinary fine not exceeding Kčs 1,000.— and the costs of proceedings rendered nugatory through his fault.

(6) A complaint (which shall be in writing) may be made against the decision of the chairman under the foregoing subsection to the Supreme Insurance Court. Such complaint shall be delivered to the chairman of the insurance court not later than 15 days after the communication of the decision.

(7) The Government Order under section 229, subsection 2, shall prescribe detailed regulations for the appointment and recall of assessors as well as in respect of conditions of service of insurance courts, and shall regulate the standing orders of the said insurance courts.

231.

Insurance courts shall be competent to take decisions:

1. in respect of legal remedies against the awards of an insurance institution,
2. in disputes between an insurance institution and public health institutions (section 198 and 199) arising out of the implementation of this Act.

232.

Appeals under section 231, subsection 1, shall be dealt with by the insurance court of the district within which that insurance institution (section 218 and 219) which issued the contested award is resident or, in accordance with the choice of the person making the complaint, the insurance court of the district in which the said person is resident. Disputes in matters of pension insurance benefits shall, however, always be dealt with by the insurance court at the seat of the law court (sborový soud) of the first instance, to the local competence of which the provisions of the first sentence of this subsection shall apply.

(2) Disputes under section 231, subsection 2, shall be dealt with by the insurance court within the area of jurisdiction of which the sued party is resident.

233.

(1) Insurance courts shall deal with disputes regarding insurance benefit including benefits accruing from additional insurance (připojištění), in benches of three; other disputes shall be dealt with by single judges.

(2) The bench of an insurance court shall consist of a chairman, being the chairman of the court, or other judge by profession, and two assessors appointed by the chairman.

Superior Insurance Courts

234.

The decisions of an insurance court may be contested by way of appeal to a superior insurance court, save where such appeal shall be excluded by Act (section 239) being a dispute in insignificant matters.

235.

(1) A superior insurance court shall consist of a chairman, vice-chairmen, the requisite number of judges by profession and the requisite number of assessors.

(2) A superior insurance court shall deal with appeals against the decisions of insurance courts under section 231, subsection 2, and against other decisions of the said courts as set out in the Act (section 239) in a bench of three. In other matters a superior insurance court shall decide through a bench of five. Benches of three shall consist of a chairman, being the chairman of the superior insurance court, or one of the vice-chairmen, and two judges by profession; council of five shall consist of the foregoing and two assessors appointed by the chairman.

(3) The provisions of sections 229 and 230 shall apply, mutatis mutandis.

The Supreme Insurance Court

236.

Appeals against the decision of a superior insurance court shall be dealt with by the Supreme Insurance Court, attached to the Supreme Law Court in Brno.

237.

Appeals shall be permissible in respect of such matters as shall be prescribed by Act (section 239) and shall be based on the contested legality of the relevant decision.

238.

The president, vice-president and the requisite number of members of the Supreme Insurance Court shall be appointed on the proposal of the Government by the President of the Republic from among the members of the Supreme Law Court or from among other persons qualified at law who are exceptionally expert in social insurance.

239.

The establishment and organisation of the insurance courts, superior insurance courts and the Supreme Insurance Court as well as the procedure of these courts shall be prescribed by special Act.

Joint Provisions on Insurance Courts

240.

(1) The supervision of the insurance courts shall be the function of the chairmen of the superior insurance courts and the supervision of the superior insurance courts and of the Supreme Insurance Court shall be the function of the President of the Supreme Law Court. The supreme supervision of the insurance judiciary shall be the function of the Ministry of Justice.

(2) The disciplinary liability of judges by profession holding office at insurance courts, superior insurance

courts, and the Supreme Insurance Court shall be subject to the general provisions relating to the disciplinary liability of judges.

(3) The expenditure incurred in connection with the insurance judiciary shall be defrayed by the State.

DIVISION 4

PENAL PROVISIONS

241.

There shall be deemed guilty of contravention (save where the commission entails a heavier penalty),

a) an employer who, without sufficient reason, fails to fulfil the liability of registration prescribed by this Act or fails to make correct registration; a registration made at another than the competent insurance institution shall not be deemed a contravention;

b) an employer who without sufficient reason fails or fails in part to perform the liability to keep, preserve and submit for inspection the registers prescribed by sections 21 to 23;

c) an employer or a person in the employment of an insurance institution who concludes a contract with an insured person restricting or reducing the claims of the said insured person under this Act,

d) a person who violates the secrecy enjoined on him by this Act;

e) a person, who, in the course of proceedings respecting benefit, with intent or from negligence makes a false statement in respect of circumstances which may affect the decision;

f) a person who procures benefit by malingering;

g) a person who demands, while not entitled thereto, the payment of the same benefit on the same legal grounds from several territorial administrative departments of the insurance institution, with intent to procure multiple benefit;

h) a person who violates the provisions relating to accident prevention (section 97—99);

i) a person who fails to comply with any other obligation under this Act.

242.

(1) Where a person has been guilty of contravention under section 241, being a person acting on behalf of a body corporate, the body corporate shall be liable to a fine subject to the provisions of subsection 243. A body corporate shall in penal proceedings be represented by the organ which in pursuance of the statutory regulations is competent to be the legal representative of the said body corporate. Where the said organ consists of several persons, the body corporate shall be entitled and upon appeal from the competent authority, liable to appoint a person to act on behalf of the said body corporate at court. Where a body corporate does not perform this duty within the period prescribed, or where there is a danger of delay, the competent authority may make such appointment ex officio.

(2) Where an employer under section 14, subsection 4, empowers a third person to perform the tasks set out in section 241, par. a) or b), that person shall be liable at criminal law. The employer, however, shall be liable for the fines imposed upon that person.

243.

(1) Contraventions (section 241 and 242) shall entail a fine according to the degree of culpability and the extent of the damage involved but not exceeding Kčs 15,000.— and in default of payment shall entail imprisonment up to a period not exceeding one month.

(2) Save where this Act otherwise provides, the regulations in force in respect of administrative (police) proceedings shall apply to proceedings arising out of contraventions under section 241 and 242.

(3) An appeal against a decision may be lodged without 15 days. The decision in respect of an appeal shall be final.

Liability for penalty in respect of the contraventions set out in sections 241 and 242 shall lapse,

- a) if the offender has remedied the defect which he has brought about by contravention before becoming aware of the initiation of proceedings against him;
- b) by prescription.

(1) The liability to penalties for contraventions under sections 241 and 242 shall lapse in default of the initiation of penal proceedings against the offender within six months from the day on which the action (being an action of commission or omission) giving rise to the contraventions ceased. Where the consequence of the contravention is not apparent until a later date, the said period shall be deemed to begin at that date.

(2) A penalty imposed shall lapse after three years from the day on which it became enforceable. The period of prescription shall be suspended during any period delaying or interrupting the operation of the penalty.

PART VIII

TRANSITIONAL AND CONCLUDING PROVISIONS

DIVISION 1

Joint Transitional Provisions

(1) The Minister of Social Welfare is hereby empowered to take not later than on December 31st, 1950, by way of Notification in the Official Gazette, the organisational and transitional measures necessary for the creation of the machinery of national insurance and for the adaptation of the present structure of public social insurance to the legal provisions of this Act;

in particular in respect of the transitional validity of the regulations hitherto in force relating to public social insurance as from the day on which certain provisions of this Act shall come into force. In so far as all provisions of this Act shall not yet be in force, present regulations may be amended by way of Notification in accordance with the first sentence of this subsection.

(2) Inasmuch as the measures taken in pursuance of subsection 1 of this section concern the health services also, the Minister of Social Welfare shall take the said measures in concurrence with the Minister of Health.

247.

(1) There shall be dissolved as from July 1st, 1948:

1. The Central Social Insurance Institution (Ústřední sociální pojišťovna), Prague,
2. The General Pensions Institute (Všeobecný penzijní ústav), Prague,
3. The Central Miner's Benefit Society (Ústřední bratrská pokladna), Prague,
4. The Central Social Insurance Institution (Ústřední sociální pojišťovna), Bratislava,
5. The Accident Insurance Institutions (Úrazové pojišťovny) Prague and Bratislava,
6. The sickness insurance institutions (Nemocenské pojišťovny) in the Provinces of Bohemia and Moravia-Silesia operating under the Act No. 221 (1924) Sb. and the provisions of the regulations amending and supplementing the same,
7. The district social insurance institutions (Okresní sociální pojišťovny) in Slovakia and the Works Sickness Insurance Institution of the Czechoslovak Danube Shipping Corporation (Závodní nemocenská pojišťovna československé Dunajplavby), Bratislava,
8. The social insurance administrative offices (Úřadovny sociálního pojištění) in the Border Region,

9. The District Miner's Mutual Benefit Societies (revírní bratrské pokladny),
10. The Sickness Insurance Institution of Salaried Employees (Nemocenská pojišťovna soukromých zaměstnanců), Prague,
11. The Civil Servants Medical Fund (Léčebný fond veřejných zaměstnanců), Prague,
12. The Postal Service Employees Medical Fund (Léčebný fond poštovních zaměstnanců), Prague,
13. The Sickness Insurance Institutions of the Tobacco Factories (Nemocenské pojišťovny továren na tabák),
14. The Sickness Insurance Institution of the Czechoslovak State Railways (Nemocenská pojišťovna československých státních drah), Prague,
15. The Clerical Sickness Insurance Institution (Kněžská nemocenská pokladna), Přerov,
16. The State Miner's Pension Institution (Státní zaopatření horníků) in Slovakia,
17. The National Federation of Sickness Insurance Institutions (Ústřední svaz nemocenských pojišťoven), Prague,
18. The Central Office of the insurance institutions (Ústředí nositelů pojištění).

(2) There shall be dissolved as from a date which shall be prescribed by Government Order:

1. The Disability and Old Age Pension Insurance Fund of the Czechoslovak State Railway Employees (Fondy pro invalidní a starobní pojištění zaměstnanců státních drah),
2. The Disability and Old Age Pension Insurance Funds of the Postal Service Employees (Fondy pro invalidní a starobní pojištění poštovních zaměstnanců),
3. The National Theatre Pensions Fund (Pensijní fond Národního divadla),
4. The Post Office Savings' Bank Pensions Fund (Pensijní fond Poštovní spořitelny), Bratislava.

(3) The Central National Insurance Institution shall be deemed the legal successor of all insurance in-

stitutions, federations, funds and other organisations set out in subsection 1 and 2 of this section, in respect of both the competence thereof in pursuance of the Acts and regulations hitherto in force, and all other claims and liabilities thereof. The real and other property as well as all entitlements and liabilities of the said institutions shall pass herewith to the Central National Insurance Institution as from the dates set out in the foregoing subsections. The said capital shall be taken over for the purposes of the sickness or pensions insurance (section 201) with regard to the purposes which the said capital has so far served.

(4) On the proposal of the Central National Insurance Institution the transfer of the property and other rights of the dissolved insurance institutions, federations, funds and other organisations set out in subsection 1 and 2 of this section to the Central National Insurance Institution, shall be entered at court in the register of real property with reference to the authority provided by this Act. These provisions shall apply, *mutatis mutandis*, to the transfer of other rights to the Central National Insurance Institution and the records thereof in all official registers and documents.

(5) Details in respect of the transfer of rights and liabilities of the funds and organisations set out in subsection 1, No. 12 and 13 and subsection 2 as concerning the manner of defraying the liabilities and employers' duties arising therefrom shall be prescribed by Government Order.

248.

(1) In taking over the insurance institutions and federations as well as the other associations and funds set out in section 247, subsections 1 and 2, the Central National Insurance Institution shall take over the employees of the said institution and become a party to their contracts of service. The Central National Insurance Institution shall not, however, be bound, subject to the necessity of organisational changes,

to perpetuate the previous position of employees, even where these were permanent positions. The service and disciplinary rules (section 188, subsection 1) shall apply to all employees taken over and shall further prescribe details regarding the mode of transfer and regulate the pension claims of transferred employees (pensioners) as from the date of its operation. The service disciplinary rules shall further prescribe the manner of adjusting the service and pay groups of the transferred employees and of establishing the new scales of pay of these employees while taking into account their length of service and their previous position. Provisions contained in contracts of service and at variance with the provisions of this section shall be null and void.

(2) Employees whose total monthly service pay after transfer would be below the hitherto lawfully prescribed rate of pay shall be entitled to a personal allowance at the rate of the difference between the newly established rate and the previous rate of pay. Whether and how this allowance shall be taken into account in future pay-increases (if any) shall be prescribed by the service rule.

(3) If a transferred employee refuses to remain in service under the Central National Insurance Institution on the conditions set out in subsection 1 and 2 of this section, he shall be deemed to have resigned of his own free will; in this event he shall have no claim to compensation, even where such compensation is ensured to him under his present contract of service. This provision shall apply equally where an employee refuses to render service at another place than that in which he has been hitherto employed.

(4) In carrying out any transfer of employees in connection with the initiation of the activity of the Central National Insurance Institution, the personal and social circumstances of the said employee shall be taken into consideration. Transfers may be carried out only where they appear unavoidable for organisational reasons.

(5) Employees of any undertaking who have been attached to and performed services for a substitute pension insurance institution of that undertaking or for a works sickness insurance institution of that undertaking may not later than September 30th, 1948 opt for the services of the Central National Insurance Institution. In that event the provisions of the foregoing subsections of this section shall apply to them.

249.

(1) The Central National Insurance Institution shall as from July 1st 1948 take the place of the former public social insurance institutions and the federations thereof in all contracts entered into with medical professional associations for the purpose of the provision of medical service and medical assistance. These contracts shall be valid until such date as shall be prescribed by the Notification issued in pursuance of section 197 subsections 3 and 4. Save where the said Notification shall otherwise provide the conditions of medical service for insured persons under sections 4 and 5 and the dependants of such persons shall be provisionally regulated by a notification issued, *mutatis mutandis*, under section 197 subsections 3 and 4.

(2) The provisions of the foregoing subsections of this section shall, *mutatis mutandis*, apply to the persons engaged in the health services as set out in section 197, subsection 5.

250.

Inasmuch as regulations hitherto in force contain provisions respecting social insurance institutions or federations thereof all references to the said institutions and federations shall be as from July 1st, 1948, deemed to be references to the Central National Insurance Institution and its respective territorial administrative departments.

(1) Until such time as the assembly of delegates and the presidium of the Central National Insurance Institutions shall be elected in pursuance of the provisions of this Act, the Minister of Social Welfare shall appoint in their place administrative commissions on the proposal of the united trade union organisation and upon consultation with the supreme interest associations. The administrative commission shall discharge with the exception of subsection 4 of this section the competence of the assemblies of delegates and of the presidium.

(2) The administrative commission of the Central National Insurance Institution shall appoint, on the proposal of the united trade union organisation and upon consultation with the interest associations, administrative commissions of the territorial administrative departments of the Central National Insurance Institution which, until such time as elections under this Act shall be carried out, shall discharge the competence of the representative bodies of the said administrative departments. In making the said appointments the numbers of personnel required when the various parts of this Act become valid shall be taken into consideration.

(3) The Minister of Social Welfare shall recall the members of the administrative commission of the Central National Insurance Institution upon consultation with the organisations that were parties to its appointment, and in its place or in the place of members whose function was terminated for other reasons, shall appoint other persons in the manner set out in the foregoing subsections of this section. The same right shall be exercised by the administrative commission of the Central National Insurance Institution in respect of the administrative commissions of the territorial administrative departments of the Central National Insurance Institution.

(4) The first president and vice-presidents of the Central National Insurance Institution shall be

appointed by the President of the Republic on the proposal of the Government.

(5) In all other respects the provisions of this Act relating to the organs of the Central National Insurance Institution and the territorial administrative departments thereof shall apply, *mutatis mutandis*, to the organs appointed in pursuance of the foregoing subsections of this section.

252.

The first standing orders of the Central National Insurance Institution shall be issued by the Minister of Social Welfare on the proposal of the presidium (administrative commission) of the Central National Insurance Institution.

253.

(1) Until such time as courts shall be set up in pursuance of part VII of this Act, appeals shall be lodged and dealt with and suits against the decisions of the former public social insurance institutions and against the awards the Central National Insurance Institution and the territorial administrative departments thereof shall be dealt with by the authorities and courts competent under the regulations hitherto in force and in the manner prescribed by these regulations.

(2) Disputes in progress of settlement on the day when the activity of the courts set up in pursuance of part VII of this Act begins shall be transferred, in their current state, from the authorities and courts hitherto competent to the courts competent under this Act.

254.

(1) The Central National Insurance Institution shall prescribe by way of Notification in the Official Gazette the manner and period of the first registration of the following classes of persons insured under this Act:

a) employed persons who under the regulations re-

lating to public social insurance hitherto in force were not liable for insurance,

b) all employed persons who so far were liable for insurance under the Act No. 221 Sb. relating to the sickness insurance of persons in the public service, dated October 15th, 1925, or the Slovak Act No. 270 Sb. sl. z. relating to the sickness insurance of persons in public service dated December 18th, 1941,

c) pensioners (section 8),

d) self-employed persons (section 4) and persons in family employment, being members of the family of self-employed persons.

(2) The provisions of section 18, subsection 2 shall apply, *mutatis mutandis*.

255.

(1) Until such time as the provisions of section 120, subsection 1, come into force, the following provisions shall apply:

a) contributions shall be payable by employers and employed persons at a rate and in the proportion prescribed by government order,

b) the employer shall be liable to pay the total rate of contributions to the insurance institution, but may deduct that portion of the rate payable by the employed person from the wages (salary) of that person by way of a sum which appears proportional to the contributions payable by the employed person in respect of that period. Where the employer does not make use of this right he may during subsequent wage periods make use of it only provided that not more than one month has elapsed since the period concerned. This provision shall apply also where contributions are assessed in arrear. Employed persons in receipt of wages (salaries) at regular time intervals longer than one month shall be subject to deductions only in respect of each pay-period,

c) contributions deducted by the employer from the

employed person's wages (salary) shall be deemed assets held on trust by the employer,

d) an employer who knowingly makes a deduction in respect of contributions greater than is permissible in pursuance of the foregoing provisions shall be guilty of contravention and liable to punishment under sections 241 and 245. Whoever within a period not exceeding six months from the date of contributions fails to pay the whole of the proportion of contribution payable in respect of an employed person under paragraph a) of this subsection, and unless he has been granted a prolongation by the insurance institution shall be guilty of contravention (unless he shall be deemed guilty of an action liable to heavier penalty) and shall be liable under sections 241 to 245 to a fine not exceeding Kčs 50,000.— or, in default of payment, to imprisonment for a term not exceeding three months,

f) the Ministry of Social Welfare may, by way of Notification in the Official Gazette, prescribe that the proportion of the rate of contribution payable by the employee shall be assessed in terms of a lump sum graduated in accordance with the rate of pay.

(2) Until such time as section 135 of this Act comes into force the provisions of subsection 1, paragraph a) of this section shall be deemed to apply, *mutatis mutandis*, to the body paying a pension or superannuation allowance and to the recipient thereof. [Section 8, paragraphs b) and c).]

256.

The provisions of section 19 shall be deemed to apply even where insurance ceases before October 1st, 1948.

257.

The Central National Insurance Institution may prescribe by way of Notification that contributions under this Act shall not be payable until the date immediately succeeding the pay period beginning before October 1st, 1948 provided that it ends after that date.

258.

The right of the insurance institution to assess contributions payable before October 1st, 1948 shall lapse within a period of not less than five years from the date of maturity insofar as the said right has not already lapsed in accordance with regulations in force before that date.

259.

(1) Legal proceedings, documents and registers necessary for the setting up of the Central National Insurance Institution and its departments, and for the dissolution and transfer of the previous insurance institutions, federation, funds and other associations (section 247, subsection 1 and 2) shall be exempt from stamp duties and taxes. There shall be similarly exempt gifts and subscriptions and the legal proceedings, documents and registers required for the carrying through thereof, insofar as these were made to the previous public social insurance institutions for the purpose of national insurance or directly to the Central National Insurance Institution.

(2) The regulations relating to the protection of tenants shall not apply to property transferred under section 247, subsection 3 to the Central National Insurance Institution, provided that the said property is intended to serve the purposes of national insurance.

260.

The provisions of sections 241—245 shall apply also to contraventions committed and not proceeded against before October 1st, 1946, provided that the said contraventions were also punishable by law under regulations previously in force.

DIVISION 2

Sickness Insurance, Transitional Provisions

261.

Benefits in kind and benefits in cash under sickness insurance shall be payable under this Act as from October 1st, 1948 even where benefit became payable before that date.

262.

The insurance institution shall pay compensation to public hospitals (sections 198 and 199) in respect of the treatment of insured persons and members of the families of such persons. Compensation under the provisions of sections 198 and 199 shall be payable as from October 1st, 1948 where the insured person or dependant undergoes hospital treatment before that date.

263.

(1) Insured persons who, on October 1st 1948, are entitled to sickness benefit under section 36 in respect of incapacity for work which began before that date, shall as from that said date be paid sickness benefit at the scale set out in section 36, subsection 2, so that the first class shall correspond to the first and second class of the scales hitherto in force, and the second to fifteenth class to the third to sixteenth class, respectively. Changes of income arising in the case of these said insured persons subsequent to September 30th 1948 shall be taken into account in pursuance of the provision of section 26, subsection 3, 6th sentence.

(2) The waiting periods set out in section 37, subsection 1 and 2 shall begin not before January 1st, 1950.

(3) The benefit period under section 36 shall include the benefit period under the regulations relating to sickness insurance operative up to September 30th, 1948.

Cash benefit in respect of maternity shall be paid in accordance with the regulations valid or operative at the date of childbirth. Where, however, confinement occurs in the period from August 15th, 1948 to November 15th, 1948, the insurance institution shall pay cash benefit in respect of maternity in accordance with whatever regulations permit a higher rate of benefit. Where the conditions for the granting of benefit are satisfied only in respect of one legal provision, benefit shall be paid in accordance with that provision. Cash benefit in respect of maternity, granted and actually paid prior to September 30th, 1948, shall be included in the total claim. Cash benefit shall be deemed to include cash payments in lieu of benefit in kind in respect of confinement.

265.

(1) Persons voluntarily continuing in sickness insurance on September 30th, 1948 shall, as from that date, pay contributions in respect of earnings, equal to the average rate of earnings of that class in respect of which they have hitherto continued in voluntary insurance.

(2) The Central National Insurance Institution shall determine by way of Notification the manner of transfer of voluntary insurance under section 251 of the Act No. 221/1924 Sb. to insurance under section 149 of this Act.

266.

(1) Where a person who has not been liable for insurance prior to the operation of this Act, or the dependant of such a person, has concluded or shall conclude with private insurance institutions, prior to January 1st, 1950, an insurance contract in respect of insurance against sickness or maternity, that contract shall lapse, provided that the insured person gives notice prior to June 30th, 1950 to the insurance office by registered mail to the effect that the contract shall be void. In that event the

contract shall be void as from the first day of the calendar month immediately following the date of the notice being received by the insurance office. The insured persons may by such notice annul contracts concluded in respect of private accident insurance or private insurance against funeral expenses which had been negotiated with private sickness insurance offices.

(2) Where an insurance contract with a private insurance office has been annulled by an insured person under subsection 1, that insurance office shall be liable to pay compensation in respect of events insured against occurring prior to the date of lapse of contract, provided that notice is given of such events in the manner prescribed by the contract.

DIVISION 3

Pension Insurance, Transitional Provisions

267.

(1) All benefit arising during the operation of this Act shall be dealt with subject to the provisions of this Act. Pensions arising in accordance with regulations relating to public pension insurance (disability insurance, pension insurance, miners' insurance and accident insurance) hitherto in force and paid out during the validity of this Act shall be deemed pensions under this Act. The continuance of entitlement thereto shall be determined subject to the provisions of this Act. If, however, subject to the provisions of this Act, a condition of the continued payment of benefit should not be, or cease to be, satisfied in relation to the insured person while benefit would have continued to be payable under previous regulations, the previous entitlement shall be deemed to continue and benefit shall be payable at the rate prescribed by the said previous regulations.

(2) Where this Act prescribes an initial qualifying

period for a claim to benefit or to a certain rate of benefit, contribution periods served in one of the previous public pension insurance schemes, including voluntarily insurance, shall be deemed insured periods under this Act. Contribution periods reduced or annulled in consequence of a refund of premium or payment of marriage grant under previous provisions relating to pension insurance shall be ignored for the purpose of determining benefit claims under this Act.

(3) Where under this Act the earnings of the insured person over a certain period are decisive for the claimed rate of benefit, the upper limits of the classes in which the insured person was insured under previous regulations relating to public pension insurance prior to October 1st 1948 shall be deemed earnings, being the basis for determining the average yearly earnings under section 71, subsection 5.

(4) Where a claim to old age or disability benefit arises after September 30th 1948, and if the insured person has not gained a contribution period subsequent to December 31st, 1945, the rate of benefit shall be assessed as though the claim arose on September 30th, 1948. The provision of section 270 shall apply. Where a widow's pension in respect of the insurance of a person set out in the foregoing provision of this subsection arises, the rate of benefit shall be assessed in terms of the scale set out in section 74 in respect of old age or disability pension or claim thereto.

268.

(1) An old age or disability pension under this Act shall be at a rate not less than an old age or disability pension which would arise on September 30th, 1948 under the regulation, hitherto in force plus the increments set out in section 270. A pension assessed in accordance with these provisions shall not exceed 85 per cent of the average yearly earnings (section 71, subsection 5).

(2) The provisions of subsection 1 of this section shall apply also to the sum total of dependants' pensions which are assessed from the pension under subsection 1.

(3) In assessing claims lodged under regulations hitherto in force (within the meaning of subsections 1 and 2), due attention shall be paid to regulations hitherto in force relating to transfers in public pensions insurance (superannuation schemes) operative before October 1948. Transfers of persons who have hitherto been exempted in their employment from liability for insurance under the regulations hitherto in force, relating to public pensions insurance, and who became liable for insurance under this Act, shall be dealt with by Government Order.

(4) Persons in receipt of miners' benefit, who prior to September 30th, 1948 gain at least one contribution month on the basis of mining employment, shall continue to be insured under section 88 of Oct No. 44 Sb., relating to miners' pension insurance, dated March 6th, 1947. Where in relation to them the conditions set out in that provision are satisfied, benefit shall be payable in accordance with Act No. 44/1947 Sb.

(5) The claims of employed persons arising out of contracts and superannuation schemes in respect of themselves and their dependants shall not be affected. From payments made under this provision benefits paid under this Act may, however, be deducted, save for the increase set out in section 270. Out of the stock hitherto reserved to provide for the claims of employed persons exempted from liability from public pensions insurance, supplementary benefit institute (příplatkový ústav) shall be created under Act No. 98 Sb., relating to the centralising of pension insurance of salaried employees and to certain further provisions in the sphere of public pension insurance; an employer shall ensure that the claims lodged with this institute, together with

the claims arising out of this Act, should at least equal the claims arising out of the contracts and superannuation schemes hitherto in force. The provisions of the Act No. 98/1948 Sb., relating to exemptions from stamp duties and taxes, shall apply, *mutatis mutandis*.

269.

(1) Where an insured person has completed a qualifying period under regulations relating to public pensions insurance hitherto in force, and claims arising out of that insurance have not lapsed by September 30th, 1948, the condition of section 61 shall be deemed satisfied up to September 30th, 1951.

(2) Where an insured person has completed a qualifying period under the regulations relating to public pensions insurance hitherto in force and where the claims arising out of that insurance have not lapsed by September 30th, 1948, but where, on the other hand, benefit has not begun to be paid by that date, by virtue of the conditions of the regulations hitherto in force not being satisfied, where, nevertheless, the conditions of benefit are satisfied under this Act, benefit shall be payable on the conditions and at the rate prescribed by this Act as from October 1st, 1948. Widow's benefit in respect of deceased insured persons under the Act N. 221/1924 Sb., and the regulations amending and supplementing the same, shall, however, be payable on the conditions set out in section 65, subsection 2, paragraph b), c) or d), at the rate of Kčs 1000.— per month, and on the conditions set out in section 65, subsection 2, paragraph a), at the rate of Kčs 800.— per month. The provisions of section 74, subsection 5, shall apply, *mutatis mutandis*.

(3) Persons who on September 30th, 1948 are continuing in voluntary insurance under the regulations relating to public pensions insurance hitherto in force, may continue in voluntary insurance after the said date at the previous rate of contributions and with the effect of continuation in voluntary insurance under this Act.

(4) The condition of 20 years' insurance under section 62, subsection 2, shall be deemed satisfied in relation to an insured person who has on September 30th, 1948 been insured for not less than 15 years.

(5) Claims for marriage grants under the regulations relating to pensions insurance of salaried employees arising after September 30th, 1941, but not lodged by September 30th, 1948, may be lodged not later than September 30th, 1949. Marriage grant shall be payable at the rate prescribed by the regulations in force at the date of marriage.

(6) Periods of service in the Czechoslovak legions or in the Red Army (Act No. 462 Sb., relating to the employment of legionaries dated 24th July 1919, whereby certain provisions of the Act No. 462/1919 are supplemented) and other periods of participation in the national fight for liberation (Act No. 255 Sb., relating to members of the Czechoslovak Army abroad and to certain other classes of persons taking part in the national fight for liberation, dated 19th December, 1946) shall, to the extent taken into account in respect of persons in public employment under the Act cited, and in respect of persons insured under this Act, be deemed insured periods under this Act, provided such periods have not under the regulations hitherto in force been taken into account as contribution periods.

(7) Old age (disability) pensions of persons set out in sections 4 and 5, provided they arise before September 30th, 1953, shall be at a rate of not more than Kčs 21,000.— annually; where such pensions arise during the period of October 1st, 1953 to September 30th, 1958 they shall be at the rate of not more than Kčs 30,000.— annually. Widows' and orphans' benefits shall be assessed on the basis of the old age (disability) benefits, determined in accordance with the provision of the foregoing sentence. These provisions shall not apply to insured persons who before September 30th, 1938, have completed a qualifying period under the regulations re-

lating to public pensions insurance hitherto in force and whose claim has not lapsed.

270.

(1) Pensions granted under Act No. 221 Sb., relating to the insurance of employed persons in respect of sickness, disability and old age, dated October 9th, 1924, and Act No. 26 Sb., relating to the pension insurance of salaried employees, dated 21st February 1929, and the regulations amending and supplementing the same, arising on or before September 30th, 1948, shall be adjusted as from October 1st, 1948 as follows:

a) disability and old age pensions, including total helplessness allowances and increments under Act No. 156 Sb., relating to increase of pensions under social insurance dated December 13th, 1945, but not including educational allowance (subsection 2), shall be increased by 40 per cent. of the rate of benefit. Disability and old age pensions granted under Act No. 221/1934 Sb., and the regulations amending and supplementing the same, shall be further increased by Kčs 300.— per month. The total rate of increase shall not exceed Kčs 800.— per month.

b) Widow's pensions in relation to which the conditions of section 65, subsection 2, par. b), c) or d) are satisfied, including total helplessness allowances and increments under Act No. 156/1945 Sb., shall be increased by 70 per cent.; where these conditions shall be satisfied or cease to be satisfied at a later date, the increase shall be granted or withdrawn in accordance with the provisions of the first sentence of this subsection as from the day of the change. Widow's pensions granted under Act No. 221/1924 Sb., and the regulations amending and supplementing the same, shall be further increased at the rate of Kčs 200.— per month. The total increase must not exceed Kčs 700.— per month.

c) Orphans' pensions shall be increased at the rate of Kčs 200.— per month.

(2) Disability (miners') benefit and old age benefit

granted under miners' insurance before January 1st, 1947 shall be adjusted so as to equal the rate of benefit payable to pensioners of an age of not less than 65 years under regulations hitherto in force; widows benefit shall be increased so as to equal the rate payable, under regulations hitherto in force, to widows of the age of not less than 66, provided that the said pensioners or widows, as the case may be, are not already in receipt thereof. The pensions thus adjusted shall be increased in pursuance of subsection 1, in a similar way as pensions under the Act No. 221/1924 Sb., and the regulations amending and supplementing the same. In accordance with the foregoing provisions, pensions shall be increased which were granted after 31st December, 1946 under the insurance scheme to persons to whom Act No. 44/1947 does not apply.

(3) In lieu of education allowance (children's allowance) hitherto payable in addition to pensions under subsection 1 of this section an education allowance shall be payable at the rate of family allowance under Act No. 154/1945 Sb. and the regulations amending and supplementing the same.

(4) For pensions hitherto payable to the widows, parents, sisters and daughters of insured persons there shall be substituted a pension at the rate of Kčs 8,400.— per year, provided the benefit payable at present does not exceed this rate and provided further that the said persons are not in receipt of another benefit under this Act or out of the public superannuation scheme. In respect of two pensioners living in joint household the provisions of section 89, subsection 7 shall apply, *mutatis mutandis*.

(5) Where a person is in receipt of more than one pension, only the highest thereof shall be increased in pursuance of subsections 1 and 2.

(6) The provision concerning increase of benefit shall not apply to pensions out of supplementary insurance (*přípojištění*) and to that portion of pension out of

journalists' pension insurance (redaktorů), which exceeds the rate established by the general provisions of pension insurance.

(7) Pensions shall be increased under subsections 1 and 2 by way of monthly instalments, from which the pensioners' sickness insurance contribution shall be deducted. As from the date of increase of pension, the said sickness insurance contributions shall not be deducted.

(8) The increase set out in the foregoing subsections shall be payable as from the first monthly instalment after the day set out in subsection 1.

(9) An increase of pension benefit under the foregoing provision shall not be deemed to prejudice the extent of liability of third persons arising out of statutory regulations or contract for payments additional to the said pensions. In the cases cited in section 268, subsection 5, the Central National Insurance Institution may refuse to pay the said increase wholly or in part. Details shall be prescribed by the Central National Insurance Institution with the approval of the Ministry of Social Welfare.

271.

(1) Pensions arising out of the public accident insurance including all increments and allowances hitherto payable shall as from October 1st, 1948 be adjusted, provided that none of the benefits set out in section 270 is payable, and provided the adjustment is to be benefit of the pensioner, as follows:

1. Where the accident occurred in a trade or industrial undertaking before December 1945, benefit shall be increased:

a) in respect of 100 per cent loss of earning capacity, to the rate of Kčs 18,000.— annually.

b) in respect of a partial loss of earning capacity, which is not less than 20 per cent, to a rate proportion-

al to the rate set out in the foregoing paragraph, corresponding to the degree of the loss of earning capacity,

c) dependants' benefit shall in this event be increased to Kčs 5,400.— annually.

2. Where the accident occurred in agriculture or forestry in the Provinces of Bohemia or Moravia-Silesia before January 1st, 1945, or in Slovakia before October 1st, 1948, benefit shall be increased:

a) in respect of a total loss of earning capacity to Kčs 12,000.— annually,

b) in respect of a partial loss of earning capacity which is not less than 20 per cent, and not less than 25 per cent. in Slovakia, to a rate proportional to the rate set out in the foregoing paragraph, corresponding to the degree of the loss of earning capacity,

c) dependants' benefit shall be increased to the rate of Kčs 3,600.— annually.

3. Where the accident occurred in a trade undertaking in Slovakia in the period from December 1st, 1945 to December 31st, 1947 benefit shall be increased:

a) in respect of a total loss of earning capacity to a rate of Kčs 20,000.— annually,

b) in respect of a partial loss of earning capacity to a rate proportional to the rate set out in the foregoing paragraph, corresponding to the degree of loss of earning capacity,

c) dependants' benefit shall in this event be increased to a rate of Kčs 6,000.— annually.

4. Where the accident occurred in the Provinces of Bohemia or Moravia-Silesia in a trade undertaking before January 1st, 1944, or in agriculture or forestry before January 1st, 1945, there shall be payable:

a) in respect of beneficiaries whose loss of earning capacity is less than 10 per cent., a lump sum at the rate of Kčs 1,000.—,

b) in respect of beneficiaries whose loss of earning capacity is at least 10 per cent. but does not exceed 30 per cent., the Central National Insurance Institution may,

at the request of the pensioner and if this request is made before September 30th, 1949, pay at once a lump sum in lieu of benefit, at the rate of

from 10 per cent. to 20 per cent. loss of earning capacity Kčs 4,000.—,

from 20 per cent. to 25 per cent. loss of earning capacity Kčs 12,000.—,

from 25 per cent. to 30 per cent. loss of earning capacity Kčs 18,000.—.

(2) In respect of the period before October 1st, 1948, and from January 1st, 1948, regarding the adjustment of agricultural and forestry pensions in Slovakia, the provision of article IV, section 4 of the Act No. 70 Sb., relating to the unification of certain provisions in the social insurance, dated March 25th, 1948, shall be valid far as it relates to section 5, subsection 2.

272.

On and before December 31st, 1949, the insurance of persons set out in section 4, the wives (husbands) of such persons, and their dependants provided that the said persons are not insured under section 5, shall be insured in accordance with the regulations hitherto in force relating to the accident insurance of persons self-employed in agriculture and forestry and the dependants of such persons.

273.

Recipients of old-age assistance benefits out of public funds under Act No. 43 Sb., relating to State old age assistance, dated March 21st, 1929, and under the Order of the Slovak National Council No. 107, Sb. n. SNR, relating to the temporary regulation of State old age assistance, dated August 23rd, 1945, and under the regulations amending and supplementing the same, shall, as from October 1st, 1948, be entitled to social assistance benefit under section 89. Award of the said benefit implies the annulment of the aforesaid assistance.

The provisions of section 92, subsection 1 and 2 shall be deemed to refer to pensions from the public pensions insurance scheme arising before October 1st, 1948, only where these said pensions coincide with pensions or retirement (superannuation) benefits beginning after October 1st, 1948. The average earnings as set out in section 71, subsection 5, in accordance with which the reduction set out in section 92 is determined, shall in that event be deemed the average earnings over the period of the operation of this Act.

275.

The provisions of the Act No. 98/1948 Sb., relating to supplementary institutes and other bodies shall remain in force while this Act is in operation.

276.

(1) Pensioners of the Central National Insurance Institution, of the General Pensions Institute and of the Central Miners' Benefit Society, save for persons in receipt of pensions under the Act No. 44/1947 Sb., and who are entitled to payment of the benefit instalment in respect of May 1948, shall receive that instalment at twice the assessed rate. This provision shall not apply to pension benefits out of additional insurance (přípojištění).

(2) The provisions of subsection 1 of this section shall apply to pensioners of other pension institutions under the Act relating to pension insurance, only within the legal amount of the benefit which would be payable to them if they were insured with the General Pensions Institute. This provision shall equally apply to pensioners under section 124 of the Act relating to the pensions insurance of salaried employees.

(3) Pensioners of the Central National Insurance Institution and the Central Benefit Society, save for persons in receipt of pensions under the Act No. 44/1947 Sb., and who are entitled to payment of the benefit in-

stalment in respect of July 1948, shall be entitled to the following single payments:

a) a supplement of Kčs 600.— to old age and disability benefit,

b) a supplement of Kčs 400.— to widow's (widower's) benefit,

c) a supplement of Kčs 200. —to orphan's benefit.

(4) Payments under subsections 1 and 3 of this section shall in no wise affect income tax.

(5) Contributions in all sections of the hitherto valid public pensions insurance shall as from May 1st 1948 be at the rate of 10 per cent. of earnings from work. The Ministry of Social Welfare may prescribe details, in pursuance of section 246 by way of Notification, and where it appears necessary prescribe exemptions from the provisions of the first sentence of this subsection.

DIVISION 4.

277.

Concluding Provisions

(1) The competence conferred by this Act shall be exercised by the Ministers (Ministries) in Slovakia as a rule through the instrumentality of the respective Commissioners (Commissioner's Departments), who shall, in the operation of this competence, be guided by the directives of the respective Minister (Ministry).

(2) Notifications issued under this Act in the Official Gazette shall, provided that they apply to Slovakia, be published there in the Official Bulletin (Úřední věstník).

278.

(1) As from October 1st, 1948, all regulations relating to and providing for the public sickness, pensions and accident insurance or any other matters provided for by this Act, shall be void and inoperative, save where this Act otherwise provides.

(2) There are hereby repeated, in particular, the following regulations, and the regulations amending and supplementing the same:

a) Act No. 221 Sb., relating to the insurance of employed persons in respect of sickness, disability and old age, dated October 9th, 1924,

b) Government Order No. 365 Sb., relating to the sickness insurance of salaried employees, dated July 9th, 1941, and the Order having the force of an Act, No. 55 Sb. z., relating to the organisation of social insurance of employees and the sickness insurance of the same, dated March 13th, 1941.

c) Act No. 221 Sb., relating to the sickness insurance of public employees, dated October 15th, 1925, and Act No. 270 Sb. z., relating to the sickness insurance of public employees, dated December 18th, 1941,

d) Government Order No. 70 Sb., relating to insurance with Benefit Societies, dated March 15th, 1943,

e) Government Order No. 99 Sb., relating to the sickness insurance of the pensioners of the Central Social Insurance Institution, dated March 30th, 1942,

f) Act No. 26 Sb., relating to the pension insurance of salaried employees, dated February 21st, 1929,

g) Act No. 44 Sb., relating to the pension insurance of miners, dated March 6th, 1947,

h) Act No. 242 Sb., relating to insurance with miners benefit societies, dated July 11th, 1922,

i) (Austrian) Act No. 1, F.G.Bl., 1888, relating to the accident insurance of workers, dated December 28th, 1888, and the (Hungarian) Act XIX/1907, relating to the insurance of industrial and commercial employees in respect of sickness and accident, and the (Hungarian) Act No. XVI/1900, relating to the assistance fund for agricultural labourers and servants,

j) Act No. 148 Sb., relating to the insurance of self-employed persons in respect of disability and old age, dated June 10th, 1925,

k) Act No. 18 Sb., relating to the unification of cer-

tain time-limits and conditions in pensions insurance, dated January 30th, 1947,

l) Act No. 46 Sb., relating to compensation in respect of occupational diseases, dated March 5th, 1946,

m) Act No. 43 Sb., relating to State old age assistance, dated March 21st, 1929, and the Slovak National Council Order, No. 107 Sb. n. SNR, relating to the temporary regulation of State old age assistance, dated August 23rd, 1945,

n) Act No. 47 Sb., relating to the removal of certain damages and to certain protective measures in social insurance, dated March 5th, 1946,

o) Act No. 156 Sb., relating to increments to benefits arising out of public pensions insurance, dated December 13th, 1945,

p) regulations relating to the sickness insurance of employees of the Czechoslovak State Railways, postal workers, and employees of the tobacco factories,

q) Act No. 70 Sb., relating to the unification of certain regulations in public social insurance, dated March 25th, 1948, save for article V. of the Act.

(3) Accident insurance of employees of State undertakings, who are exempt from liability for insurance under section 4 of the (Austrian) Act No. 1/1888 R.G.Bl., as amended by article III. of the Act No. 207/1919 Sb., provided the said employees are not insured under section 2, subsection 1, shall continue to be outside the scope of this Act.

279.

(1) The provisions of Part V and VI and of Divisions 1 and 2 of Part VII of this Act shall come into operation as from July 1st, 1948. As from that date the Central National Insurance Institution shall operate the insurance hitherto operated by insurance institutions, federations, funds and other associations set out in section 247, subsection 1, under the regulations hitherto in operation.

(2) The provisions relating to pensions insurance shall come into force as from October 1st, 1948. The

provisions relating to the sickness insurance of persons set out in section 2, subsection 1, paragraph a), d) and e) shall come into operation as from October 1st, 1948, the provisions relating to the sickness insurance of persons set out in section 2, subsection 1, paragraph b) and c) shall come into operation as from January 1st, 1950.

(3) The provisions relating jointly to sickness and health insurance shall come into operation as from the day and to the extent corresponding to the provisions of subsection 2 of this section.

(4) All other provisions of this Act and in particular section 120, subsection 1, and section 135 shall come into force on the day prescribed by Government Order.

(5) The provisions of section 246 shall come into force as from the day of promulgation of this Act.

280.

The Minister of Social Welfare in concurrence with the other Ministers concerned shall be responsible for the administration of this Act.

Schedule to Section 78 of the Act No. 99/1948

No	Occupational Disease		Undertakings (Section 78, subsection 1)
	I	II	
1.	Diseases caused by lead and its compounds	<p>Diseases of the skin shall be deemed occupational diseases only if and as far as they are sequelae of the disease by virtue of infiltration of the injurious substances into the body</p>	<p>1—16</p> <p>All undertakings in which the substances cited under II. are produced, processed, utilised or appear as by-products or otherwise</p>
2.	Diseases caused by phosphorus and its compounds		
3.	Diseases caused by mercury and its compounds		
4.	Diseases caused by arsenic and its compounds		
5.	Diseases caused by manganese and its compounds		
6.	Diseases caused by benzene and its homologues		
7.	Diseases caused by nitro- and amino-compounds or benzene and its compounds, and their sequelae		
8.	Diseases caused by the halogen derivatives of hydrocarbone of the aliphatic series		
9.	Diseases caused by nitrogenous esters of other substance of the aliphatic series		
10.	Diseases caused by carbon bi-sulphide		
11.	Diseases caused by hydrogen sulphide		
12.	Diseases caused by injurious substances used in and for purposes of war		

13. 14. 15. 16.	<p>Diseases caused by carbon monoxide</p> <p>Diseases caused by hydrocyanic acid or its derivatives, such as calcium cyanamide</p> <p>Diseases caused by X-rays and radio-active substances</p> <p>Cancer of skin or alternation of the skin tending to develop into cancer, caused by soot, paraffin, tar, creosote, anthracene, pitch and substances of a similar cancer-generating effect</p>	
17.	Diseases of the skin of a recurrent nature caused by injurious substances used in the undertaking and making a change of occupation or in severe cases complete abandonment of gainful occupation necessary	in which insured persons are exposed to the said risk
18.	Cancer of the lungs caused by radium rays or radium emanation, or irregular recurrent state which on general examination and examination of the lungs indicates cancer of the lungs though this cannot be proved by clinical methods	in which insured persons are exposed to said risk
19.	Infectious diseases	Hospitals, medical treatment institutions, maternity homes, convalescent homes, bacteriological, pathological, serological, anatomical and hygienics institutions for forensic medicine, and all other medical and public centres and institutes declared as liable for insurance by the Minister of Social Welfare in concurrence

No	Occupational Disease	Undertakings (Section 78, subsection 1)
I	II	III
20.	Contagious diseases communicable from animals to men, such as infectious jaundice, Bang's disease, splenitis, glanders, tulareamias, dysentery	with the Minister of Health and as the case may be also with the Minister of Education
21.	Diseases caused by work in compressed air	in which insured persons are exposed to the said danger
22.	Diseases of the bones, joints, muscles and nerves of the limbs caused by vibration to workers using pneumatic and similar tools, or work with vibration machinery	in which caissons or diving-bells are used
23.	Miners hookworm disease (ankylostomiasis)	in which the said appliances are used
24.	Diseases of the respiratory system caused by Thomas slag	Mining in which Thomas slag is processed, stored or where Thomas meal is processed, stored or transported
25.	Respiratory diseases caused by aluminium dust or its alloys (aluminous, fibrosis of the lungs)	in which insured persons are exposed to the said danger
26.	Respiratory diseases caused by beryllium and its alloys	

27.	Pneumoconiosis caused by quartz or iron dust (silicosis, siderosis) in the diagnosis of which functional disturbances are supported by typical X-ray indications. If this disease coincides with tuberculosis of the lungs, compensation shall be given in respect of disease caused by dust	27—29 in which insured persons are exposed to the said danger
28.	Pneumoconiosis caused by quartz or iron dust (silicosis, siderosis) accompanied by active tuberculosis of the lungs	
29.	Pneumoconiosis caused by asbestos dust (asbestosis) — a) where functional disturbances are accompanied by typical X-ray indications — b) in conjunction with tuberculosis of the lungs	
30.	Diseases caused by chromium compounds (diseases of the skin shall be deemed industrial diseases only if and as far as they are sequelae of disease, caused by the infiltration of the injurious substances into the body)	in which the said compounds are processed, stored or transported
31.	Deafness or grave hardness of hearing caused by noise or vibration	engaged in the processing or finishing of metal, mining, and all plant where workers are exposed to excessive noise
32.	Cataract	engaged in the manufacture processing or finishing of glass, iron works, foundries, enamel works, cement works, carbide works, acetylene and electrical welding

No	Occupational Disease	Undertakings (Section 78, subsection 1)
I	II	III
33.	Grave and complex forms of nystygmus	Mines
34.	Disease of the elbow nerve due to pressure	glass grindings plants
35.	Glass-blower's emphysema of the lungs	manufacture, processing and finishing of glass

III.

APPENDICES

APPENDICES

I. The Social Structure of Czechoslovakia—Distribution of Population by Professions in 1900--1947

Occupation	Figures	Number of persons in the years				
		1900	1910	1921	1930	1947
Agriculture, forestry, fisheries	Absolute (thousands)	5,399	5,254	4,972	4,630	3,396
Mining of minerals		436	457	481	514	354
Industry and trades		3,808	4,165	4,129	4,693	4,028
Commerce and finance		459	534	602	267	702
Transport		370	583	644	803	745
Public administration and services		464	580	653	795	1,010
Professions		69	69	85	109	77
Personal and domestic services		357	394	310	355	258
Pensioners and persons in receipt of assistance benefit, etc.		797	964	1,127	1,232	1,594
Total		12,159	13,000	13,003	13,998	12,164

Occupation	Figures	Number of persons in the years				
		1900	1910	1921	1930	1947
Agriculture, forestry, fisheries	Relative (%)	44.41	40.42	38.24	33.08	27.91
Mining of minerals		3.59	3.52	3.70	3.67	2.91
Industry and trades		31.32	32.03	31.75	33.52	33.12
Commerce and finance		3.77	4.11	4.63	6.19	5.77
Transport		3.05	4.48	4.95	5.74	6.13
Public administration and public services		3.82	4.46	5.03	5.68	8.30
Professions		0.55	0.53	0.65	0.78	0.63
Personal and domestic services		2.93	3.03	2.38	2.53	2.12
Pensioners and persons in receipt of assistance benefit, etc.		6.55	7.42	8.67	8.81	13.11
Total		100.00	100.00	100.00	100.00	100.00

II. Anticipated Distribution of National Income in Connection with National Insurance for 1949

Type of gainful occupation	Number of persons		Total annual			
			Income		Basis of assessment for national insurance	
	thousands	%	milliards Kčs	%	milliards Kčs	%
Private employees	2,850	54.4	106	54.9	105	59.7
Public employees (under definitive contract of service)	550	10.5	25	13.0	25	14.2
Farmers (whose chief occupation is farming) including persons in family employment	1,260	24.0	38	19.7	25	14.2
Other self-employed persons (trades, professions)	580	11.1	24	12.4	21	11.9
Total	5,240	100.0	193	100.0	176	100.0

III. Fluctuations in Age Groups (Provinces of Bohemia and Moravia-Silesia) in 1947—1972

Sex	Age group	Probable number of persons											
		1947		1952		1957		1962		1967		1972	
		thousands	%	thousands	%	thousands	%	thousands	%	thousands	%	thousands	%
Men	0-14	1,009	23.6	1,031	23.9	1,005	23.3	899	20.9	908	21.1	943	22.0
	15-59	2,782	65.1	2,772	64.3	2,760	63.9	2,766	64.4	2,685	62.5	2,587	60.2
	60- ∞	485	11.3	510	11.8	554	12.8	631	14.7	704	16.4	764	17.8
	total	4,276	100.0	4,313	100.0	4,319	100.0	4,296	100.0	4,297	100.0	4,294	100.0
Women	0-14	978	21.5	997	21.9	971	21.3	871	19.3	844	19.0	834	19.0
	15-59	2,939	64.8	2,897	63.6	2,848	62.7	2,829	62.8	2,731	61.4	2,613	59.7
	60- ∞	620	13.7	663	14.5	726	16.0	805	17.9	874	19.6	932	21.3
	total	4,537	100.0	4,557	100.0	4,545	100.0	4,505	100.0	4,449	100.0	4,379	100.0
Total	0-14	1,987	22.6	2,028	22.9	1,976	22.3	1,770	20.1	1,752	20.0	1,777	20.5
	15-59	5,721	64.9	5,669	63.9	5,608	63.3	5,595	63.6	5,416	61.9	5,200	60.0
	60- ∞	1,105	12.5	1,173	13.2	1,280	14.4	1,436	16.3	1,578	18.1	1,696	19.5
	total	8,813	100.0	8,870	100.0	8,864	100.0	8,801	100.0	8,746	100.0	8,673	100.0

IV. National Insurance in the Five-Year Economic Plan

Income and expenditure of the Central National Insurance Institution in the years	1949	1950	1951	1952	1953
Income					
a) normal (contributions, interest, State subsidy for public hospital treatment)	25,850	31,140	33,180	35,290	37,480
b) special (State subsidy for pension insurance)	2,700	2,700	2,700	2,700	2,700
c) Total Income	28,550	33,840	35,880	37,990	40,180
Expenditure					
1. Benefit					
a) in kind	19,910	21,740	22,490	23,630	24,870
b) in cash	5,240	8,230	8,630	9,040	9,470
c) Total	25,150	29,970	31,120	32,670	34,340
2. Wages					
a) functional	170	180	190	200	210
b) administrative	690	730	760	790	820
c) Total	860	910	950	990	1,030
Total Expenditure	26,010	30,880	32,070	33,660	35,370
Balance	2,540	2,960	3,810	4,330	4,810

CZECHOSLOVAK NATIONAL INSURANCE

A Contribution to the Pattern of Social Security

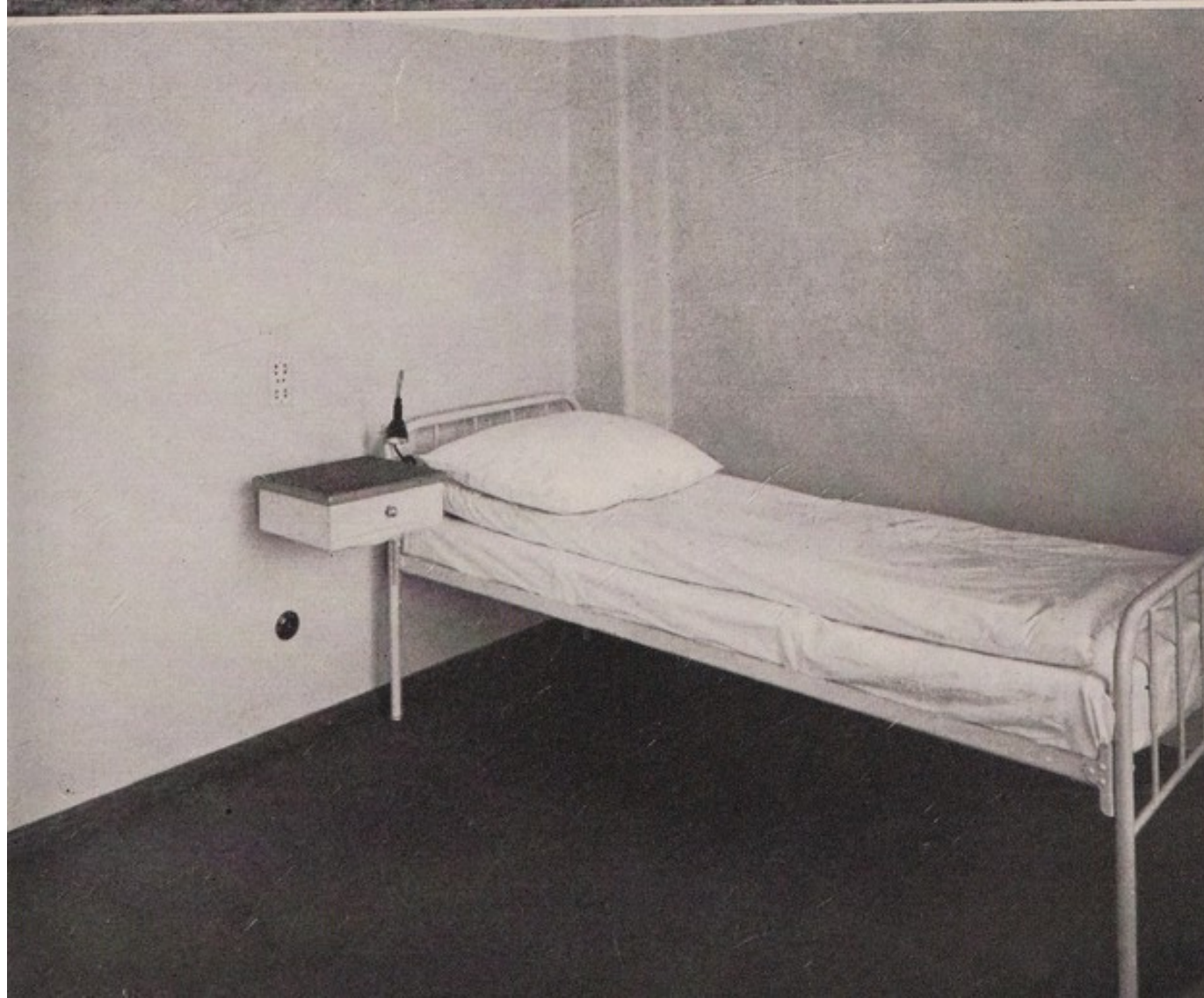
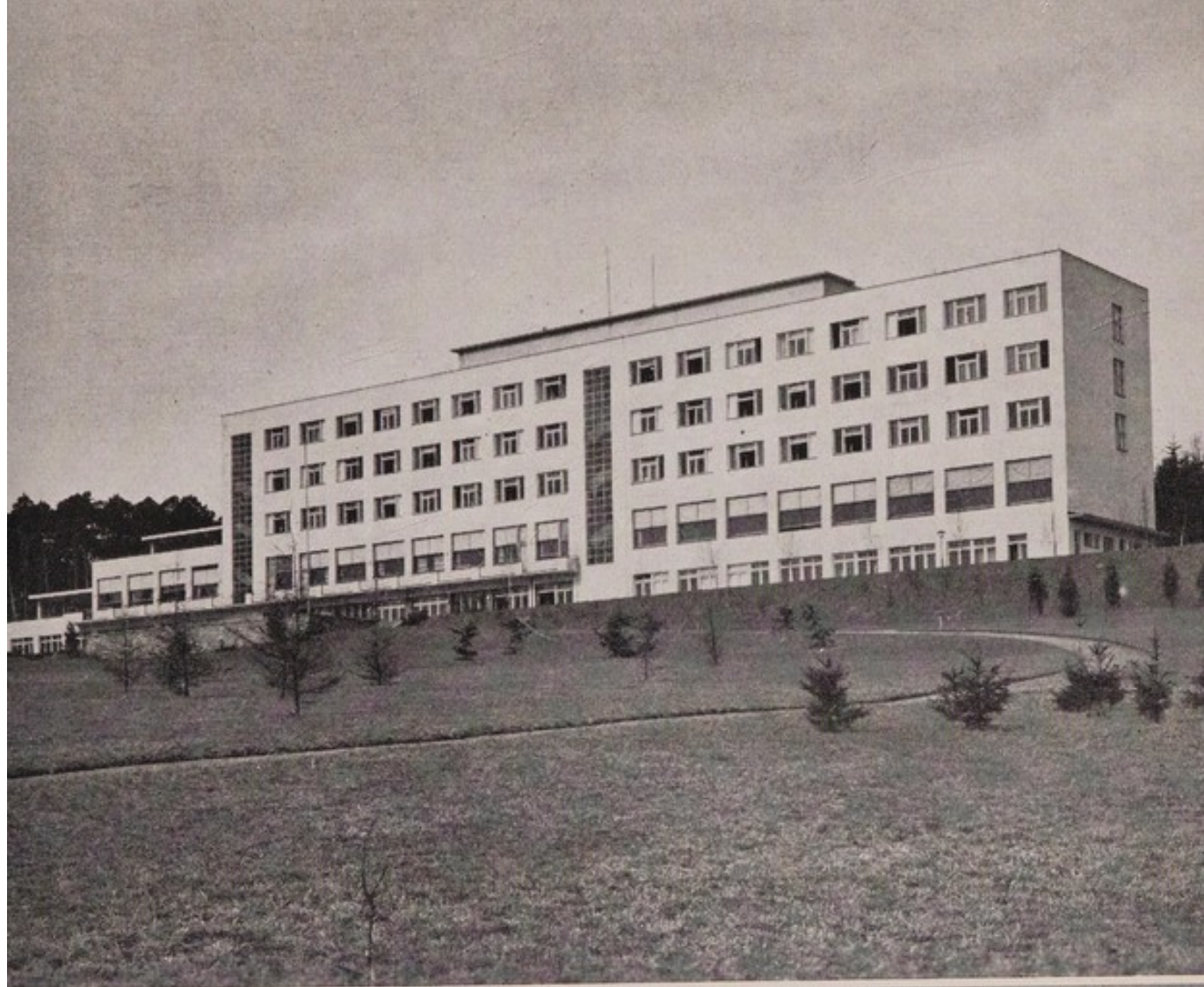
With an introduction by
Evžen Erban,
Czechoslovak Minister of Social Welfare

Translated from the Czech by Fr. Stein
1st Edition

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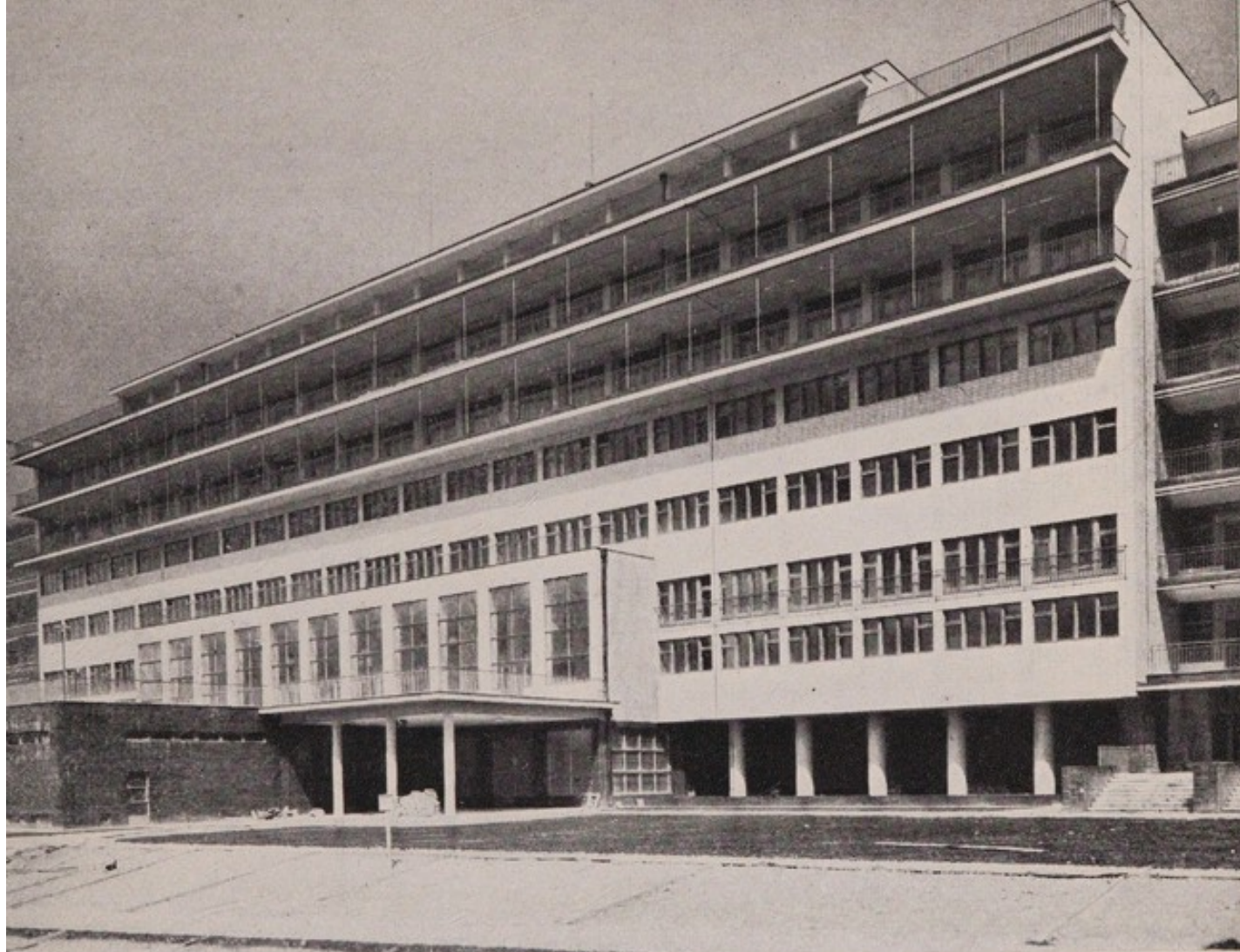


*Masaryk Sanatorium, Dobříš, for the treatment of internal and nervous diseases.
157 beds, opened in 1938.
Interior view.*





Masaryk Sanatorium, Vyšné Hágy, for the treatment of tuberculosis of the lungs and of the bones. 520 beds. Completed in 1938.—Sanatorium Machnač, Trenčianske Teplice, for the treatment of rheumatism, gout, sciatica. 109 beds. Opened in 1932.—Morava Sanatorium, Tatranská Lomnica, for the treatment of anaemia, exhaustion, etc., approx. 80 beds.



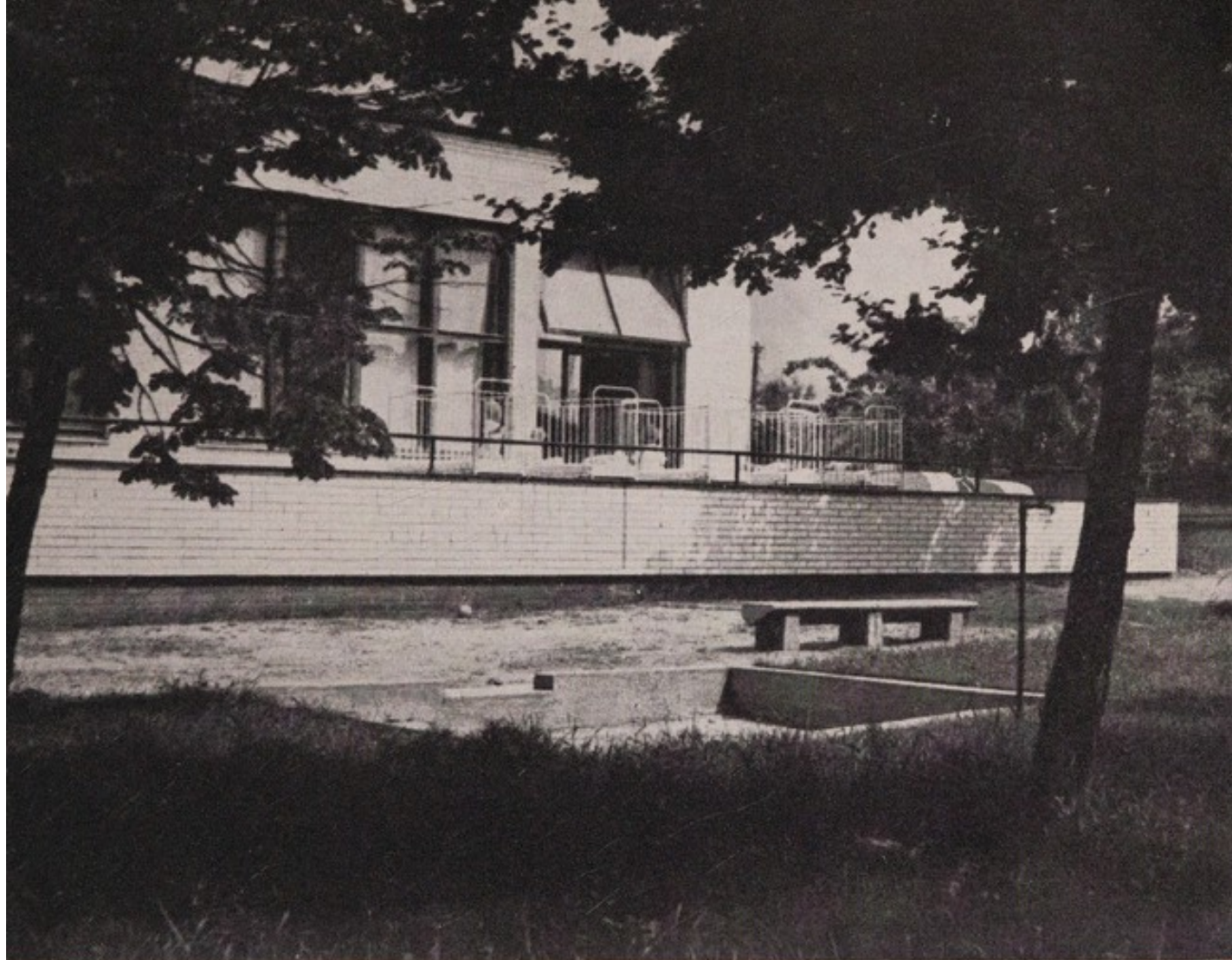


Zelená žába ("The Green Frog"), recreation centre; thermal swimming pool. Lubietová, Convalescent Home, approx, 80 beds. Opened 1937.





Children under school age in healthy, modern crèches and nursery schools.





General Pension Institution, Prague, administrative wing. Completed in 1934.

ERRATA

- p. 37, after line 13 insert
 '60—93 Division 2
 Pension Benefits'
- p. 38, line 22, for 'Traditional' read 'Transitional'
- p. 45, line 25, for 'not exceeding than seven' read 'not exceeding seven'
- p. 74, line 24, for 'provisional' read 'transitional'
- p. 98, line 2, for 'possible legal claims.' read 'legal claims, if any.'
- p. 106, line 15, after 'of this section' insert 'in military undertakings'
- p. 112, line 24, for 'for the reason... awarded' read 'in respect of the event insured against'
 line 31, for 'in' read 'at'
- p. 117, line 24, 28 for 'person paying contributions' read 'body liable to pay contributions (plátce pojistného)'
- p. 120, Section 129, subsection 1 et sequ., for 'building trader' read 'building tradesman'
- p. 136, line 27, delete 'through the instrumentality of'
- p. 164, line 16, for 'basic' read 'principal'
- p. 168, line 29, for 'No. 68 R.G.B.L.' read 'No. 68, R.G.Bl.'
- p. 179, line 18, for 'anestimate' read 'an estimate'
- p. 187, line 18, for 'Instituti' read 'Institution'
- p. 201, line 30, delete 'exempted... pensions'
- p. 210, line 27, for 'provided that' read 'insofar as'
- p. 211, line 1, for 'repeated' read 'repealed'
 line 28, for 'F.G.Bl.' read 'R.G.Bl.'



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