

## Israel

Exchange rate: US\$1.00 = 3.87 new shekels.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1953 (national insurance), implemented in 1954; 1955 (survivor pensions); 1957 (old-age pensions); 1970 (disability insurance); 1974 (pensions); 1980 (long-term care insurance); 1980 (income support); 1982 (benefits); and 1988 (personal benefits).

**Type of program:** Social insurance and social assistance system.

#### Coverage

**Social insurance:** All persons residing in Israel aged 18 or older.

Exclusions: Persons who immigrated to Israel for the first time when aged 60 to 62, depending on the month and year of birth.

**Social assistance (income support programs, means-tested):** All persons residing in Israel aged 20 or older (aged 18 or older for certain groups).

Exclusions: Persons living in institutions whose expenses are paid entirely by the state, the Jewish Agency, a local authority, or a religious institution; persons in compulsory military service and their spouses; members of a kibbutz or cooperative village; certain vehicle owners; and students in higher education.

#### Source of Funds

**Insured person:** 0.22% of earnings below and 3.85% of earnings above 60% of the national average wage (old-age and survivor pensions); 0.11% of earnings below and 1.86% of earnings above 60% of the national average wage (disability benefits); and 0.01% of earnings below and 0.14% of earnings above 60% of the national average wage (long-term care).

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the monthly minimum wage). (A person earning less than this amount pays contributions as if earning the minimum.)

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

The national average wage is 8,015 new shekels a month.

**Self-employed person:** 3.09% of earnings below and 5.21% of earnings above 60% of the national average wage (old-age and survivor pensions); 1.11% of earnings below and 1.86% of earnings above 60% of the national average wage (disability benefits); and 0.12% of earnings below and 0.18% of earnings above 60% of the national average wage (long-term care).

The minimum monthly earnings used to calculate contributions are 2,004 new shekels. (A person earning less than this amount pays contributions as if earning the minimum.)

The national average wage is 8,005 new shekels a month.

**Employer:** 1.45% of earnings below and 2.04% of earnings above 60% of the national average wage (old-age and survivor pensions); 0.30% of earnings below and 0.42% of earnings above 60% of the national average wage (disability benefits); and 0.05% of earnings below and 0.06% of earnings above 60% of the national average wage (long-term care).

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the monthly minimum wage). (A person earning less than this amount pays contributions as if earning the minimum.)

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

The national average wage is 8,015 new shekels a month.

**Government:** Subsidizes old-age and survivor pensions at a rate of 17.1% of total employee and employer contributions; the total cost of special old-age and survivor benefits and long-term care benefits for new immigrants; the total cost of social assistance income support programs and the mobility allowance; 0.25% of earnings (old-age and survivor pensions), 0.10% of earnings (disability benefits), and 0.02% of payroll and earnings (long-term care).

#### Qualifying Conditions

##### Old-age pension

**Social insurance:** The retirement age for the earnings-tested pension is 67 for men and 62 for women (gradually rising to age 64 by 2017); the age for receiving the pension without an earnings test is 70 for men and 67 for women (gradually rising to age 70 by 2020).

The pension is gradually reduced or suspended if income from work exceeds 57% (for an individual) or 76% (for a person with dependents, according to the number of dependents) of the national average wage. (The national average wage is 8,015 new shekels a month). The reduction is 0.60 of a shekel for every shekel of income above the earnings test.

Must have at least 5 years of coverage in the last 10 years or a total of 12 years of coverage. No qualifying period for insured women who are widowed, divorced, abandoned, married to an uninsured husband, unmarried and aged 57 or older at the time of immigration, or receiving a disability pension during the month before reaching the retirement age.

Income supplement: Paid if income, including the pension, is less than the minimum subsistence level.

Deferred pension: Paid to persons older than the retirement age who did not meet the earnings test requirements for a pension.

Dependent's supplement (earnings-tested): Paid for a dependent spouse or child.

Seniority increment: Paid for more than 10 years of coverage. A housewife is not eligible.

*Special old-age benefit (social assistance)*: Paid to new immigrants not insured because of their age at the time of immigration and to emigrants who returned to Israel, are insured and over the age to receive a pension without the earnings test, but do not satisfy the qualifying period condition.

*Income support benefit (social assistance)*: Must have at least 24 months of continuous residence (12 cumulative months for new immigrants), subject to an earnings and employment test; incapable of earning more than the minimum subsistence level.

A partial benefit is paid to individuals whose combined income from employment and benefits is less than the minimum subsistence level.

Benefits are payable abroad under bilateral agreement.

**Disability pension**: Must reside in Israel and be between age 18 and the retirement age for the earnings-tested old-age pension. There is no qualifying period. Must have either a total assessed degree of medical disability of at least 60% (from one or more impairments), a total assessed degree of medical disability of at least 40% (if one impairment is assessed as at least 25%), or a total assessed degree of medical disability of at least 50% (for a housewife with a disability).

Must not be able to support his or herself from employment, have an assessed loss of earning capacity of at least 50%, and have no or limited income from employment.

The full pension is paid if assessed with a disability of over 74% and if income from employment is less than the monthly national average wage.

The national average wage is 8,015 new shekels a month.

Partial disability: Paid for an assessed disability of 74% or less.

Incentive pension: The insured's income from employment is higher than the threshold for a normal disability pension and he or she was entitled to a normal disability pension

for a least 12 consecutive months before his or her income exceeded the threshold.

Additional monthly pension (AMP): Paid to persons with disabilities with an assessed loss of earning capacity of at least 75% and an assessed degree of medical disability of at least 50%. Must not reside in an institution where a public body pays over 50 percent of expenses.

Graduated AMP: Paid to those who receive an AMP and, due to income from employment, are no longer eligible for the normal disability pension.

Dependent's supplement: A supplement is paid for a spouse or a child with earnings below 57% of the national average wage.

Income supplement: Paid if income, including the disability pension, is less than the minimum subsistence level.

**Attendance allowance**: Paid if the insured requires the constant attendance of others to perform daily functions. Must be assessed with a disability of at least 60% and be receiving a disability pension (or assessed with a disability of at least 75% and subject to an earnings test).

**Mobility allowance**: A resident of Israel, between age 3 and the retirement age for men (age 67), with an assessed loss of mobility determined by a medical committee.

**Disabled child benefit**: A resident of Israel, not living in an institution or with a foster family, and not receiving a mobility allowance (unless the parent has two children, each with a disability and under certain other circumstances).

**Long-term care benefit (earnings-tested)**: At least the retirement age for an earnings-tested old-age pension, not living in an institution, and requiring the constant attendance of others to perform daily functions. The benefit is paid to an individual with income less than 1.5 times the national average wage, to a couple with income less than 2.25 times the national average wage, or to a person with a child with additional income less than 0.75 times the national average wage for each child.

The national average wage is 8,015 new shekels a month.

Benefits are payable abroad under bilateral agreement.

**Survivor pension (social insurance)**: Paid to a widow(er) or child up to age 18 (age 20 if in higher education or the premilitary framework, age 21 if in the military or volunteer service, up to age 22 in certain other cases) of an insured person who died from any cause, except war or hostile action. The deceased had 12 months of coverage in the year before death, 24 months in the last 5 years, 60 months in the last 10 years, or met the qualifying period for an old-age pension. The widow(er)'s pension ceases on remarriage.

A widow must have been married to the deceased at the time of his death and for at least 1 year (6 months if aged 55 or older) or had a child with the deceased.

A widower must have been married to the deceased at the time of her death and for at least 1 year (6 months if aged 55 or older) and must either have a child living with him or satisfy an earnings test.

Survivor pension with income supplement (social assistance): Paid to individuals whose combined income from employment and a survivor pension is less than the minimum subsistence level.

Survivor pension seniority increment: Paid if the insured (except a housewife) had more than 10 years of coverage.

**Survivor grant:** Paid to a widow(er) younger than age 40 without dependent children or to a widower no longer eligible for a survivor pension.

**Special survivor benefit:** Paid to the widow and orphans of a person who resided in Israel but was not insured at the time of his immigration.

**Marriage grant:** Paid to a widow(er) who remarries. The widow(er)'s right to the survivor pension ceases on remarriage.

**Death grant:** The grant is paid to the widow(er) or children of a deceased pensioner.

**Funeral grant:** On the death of the insured, the grant is paid to the organization responsible for the funeral.

Benefits are payable abroad under bilateral agreement.

### Old-Age Benefits

#### Old-age pension

**Social insurance:** 17.35% of the monthly old-age basic amount is paid to an individual pensioner; 26.05% to a couple. Pensioners aged 80 and over receive an additional percentage.

The monthly old-age basic amount is 7,975 new shekels.

**Income supplement:** For pensioners younger than age 70, from 29.9% to 64.5% of the monthly old-age basic amount is paid, depending on marital status and the number of children. For pensioners aged 70 to 79, from 30.7% to 65.8% of the monthly old-age basic amount is paid. For pensioners aged 80 or older, from 32.1% to 67.8% of the monthly old-age basic amount is paid. An additional 7% for all age groups is paid.

**Deferred pension:** The pension is increased by 5% for each year retirement is deferred.

**Dependent's supplement:** 8.7% of the monthly old-age basic amount is paid for the spouse and 5.5% of the monthly old-age basic amount is paid for each of the first two children up to age 18 (age 20 if in higher education or the premilitary framework, age 21 if in military or volunteer service, age 22 in certain other cases). These supplemental rates are included in the pension rates above.

**Seniority increment:** The pension is increased by 2% for each year of coverage exceeding 10 years, up to 50% of the pension.

**Special old-age benefit (social assistance):** The benefits are the same as the social insurance old-age pension.

**Income support benefit (social assistance):** 20% to 25% of the monthly old-age basic amount is paid monthly to an individual pensioner; 27.5% to 37.5% to a couple without children. The benefit amount varies with age. Widows, separated persons, and single parents receive a higher benefit.

The value of the monthly old-age basic amount is 7,975 new shekels.

**Benefit adjustment:** Benefits are adjusted annually in January according to the increase in the consumer price index in the previous year.

### Permanent Disability Benefits

**Disability pension (social insurance):** A full disability pension is 25% of the disability basic amount plus 7% of this amount.

The disability basic amount is 8,074 new shekels a month.

**Partial disability:** A percentage of the full disability pension is paid according to the assessed degree of disability.

**Incentive pension:** Up to a full disability pension is paid according to the insured's income.

For a partial disability, a pension is paid according to the insured's earning capacity or a schedule in law (whichever is lower).

**Additional monthly pension (AMP):** 17% of the disability pension is paid if the assessed degree of disability is at least 80%; 14% for an assessed degree of disability of 70% to 79%; 11.5% for an assessed degree of disability of 50% to 69%.

**Graduated AMP:** An AMP is paid that decreases gradually over time (the full amount in the first year; 75% of the full amount in the second year; 50% of the full amount in the third year; 25% of the full amount in the fourth year; no pension is paid in the fifth year).

**Dependent's supplement (income-tested):** Up to 12.5% of the disability basic amount is paid for a spouse; 10% for each of the first two children. An additional 7% is paid for both categories.

**Income supplement:** Paid if income, including the disability pension, is less than the minimum subsistence level.

**Attendance allowance:** 50%, 105%, or 175% of the full disability pension is paid, according to the assessed degree of dependence.

**Attendance allowance increment:** 14%, 28.5%, or 42.5% of the full disability pension is paid, according to the assessed degree of dependence.

**Mobility allowance:** The monthly benefit varies depending on whether the insured has earned income, has a driver's license, and owns a car. Additional cash benefits may be provided to help cover car taxes and costs resulting from a loss in mobility.

**Disabled child benefit:** 30% to 120% of the full disability pension is paid, according to the assessed degree of disability.

Disabled child benefit supplements: The cost of schooling for students with disabilities and an additional benefit for children with severe disabilities is paid.

The maximum total benefit is 137% of the full disability pension.

**Long-term care benefit (earnings-tested):** 91% of the full disability pension is paid if the beneficiary is largely dependent on the help of others; 150% if severely dependent; 168% if completely dependent. Benefits are normally paid directly to the organization providing the long-term care services, not to the beneficiaries. (If long-term care services are not available and the beneficiary lives with and is cared for by a family member, benefits are paid directly to the caregiver at 80%).

The benefit is reduced by 50% if the insured's income is higher than the average wage for a single person; reduced by 50% if income is higher than 1.5 times the average wage for a couple, plus 0.5 times the average wage for each child, up to a maximum.

The national average wage is 8,015 new shekels a month.

Benefit adjustment: Benefits are adjusted annually in January according to the increase in the consumer price index in the previous year.

### Survivor Benefits

**Survivor pension (social insurance):** 17.35% of the monthly old-age basic amount is paid for a surviving spouse aged 50 or older or caring for a child.

The monthly old-age basic amount is 7,975 new shekels.

Child increment: 8.1% of the monthly old-age basic amount is paid for each child.

A single child not covered by the survivor pension child increment receives 10.8% of the basic old-age amount; 8.1% each if there is more than one child; 10.8% for each full orphan.

For a widow(er) aged 40 to 49 with no children, the pension is 13.0% of the old-age basic amount.

If the survivor also receives the old-age pension, the survivor pension is reduced by 50%.

Survivor pension with income supplement (social assistance): 29.9% to 62.7% of the monthly old-age basic amount minus 165 new shekels is paid to a widow(er) depending on his or her age and the number of children. The resulting amounts are increased by an additional 7%.

25% of the monthly old-age basic amount minus 165 new shekels is paid for a single child (orphans and abandoned children); 37.5% minus 330 new shekels for two children.

Survivor pension seniority increment: The pension is increased by 2% for each year the deceased had more than 10 years of coverage, up to 50% of the survivor pension.

**Survivor grant:** For a widow(er) younger than age 40 with no children, 36 months of the survivor pension is paid in a lump sum.

**Special survivor benefit:** The benefits are the same as for the social insurance survivor pension.

**Marriage grant:** The grant is 36 months of the survivor pension and is paid in two installments (the first upon marriage, the second 2 years after).

**Death grant:** A lump sum of the disability basic amount is paid to the widow(er) or children of a deceased pensioner.

The disability basic amount is 8,074 new shekels.

**Funeral grant:** The cost of the burial is paid, up to a fixed amount.

Benefit adjustment: Benefits are adjusted annually in January according to the increase in the consumer price index in the previous year.

### Administrative Organization

Ministry of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

### Sickness and Maternity

#### Regulatory Framework

**First and current laws:** 1953 (national insurance), implemented in 1954, with 1976 (vacation pay for adopting parents), 1986 (birth allowance), 1990 (at-risk pregnancy benefit), and 1997 (paternity allowance) amendments; 1976 (sick pay in collective agreements, not under social security law); and 1995 (national health insurance).

**Type of program:** Social insurance system.

#### Coverage

**Sickness benefits:** All employees are covered under collective agreements. (Cash sickness benefits are not provided under the 1953 law.)

**Maternity benefits:** Employed persons, self-employed persons, and persons aged 18 or older in vocational training.

**Maternity grant:** Insured women or the wife of the insured; persons working in but not residing in Israel, including self-employed persons. If not residing in Israel, the woman

or her husband must have worked in Israel for at least 6 months immediately before childbirth. The birth must occur in Israel.

**Medical benefits:** All persons residing in Israel.

### **Source of Funds**

**Insured person:** 3.1% of earnings below and 5% of earnings above 60% of the national average wage (medical benefits); 0.04% of earnings below and 0.87% of earnings above 60% of the national average wage (maternity benefits).

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the minimum wage).

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

The national average wage is 8,015 new shekels a month.

**Self-employed person:** 3.1% of earnings below and 5% of earnings above 60% of the national average wage (medical benefits); 0.56% of earnings below and 0.82% of earnings above 60% of the national average wage (maternity benefits).

The minimum monthly earnings used to calculate contributions are 2,004 new shekels.

The national average wage is 8,015 new shekels a month.

**Employer:** None for medical benefits; 0.12% of earnings below and 0.16% of earnings above 60% of the national average wage for maternity benefits.

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the minimum wage).

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

The national average wage is 8,015 new shekels a month.

**Government:** None for medical benefits; 0.09% of earnings for maternity benefits. Contributes to the birth allowance and the hospitalization grant.

### **Qualifying Conditions**

**Cash sickness benefits:** Sickness benefits are not provided under the 1953 law.

**Cash maternity benefits:** The full benefit is paid with at least 10 months of coverage in the last 14 months (or 15 months in the last 22 months). A partial benefit is paid with at least 6 months of coverage in the last 14 months.

Under certain conditions a father with at least 10 months of coverage in the last 14 months (or 15 months in the last

22 months) may share the maternity leave period with the mother.

**Vacation pay for adopting parents:** Paid for the cessation of work to adopt a child younger than age 10. At least one of the adopting parents must have at least 10 months of coverage in the last 14 months (or 15 months in the last 22 months). An adopting father may take a period of at least 21 days of leave when the mother returns to work.

**Risk pregnancy benefit:** Paid for the cessation of work due to a risk to the pregnancy. Must be authorized by an obstetrician. The insured must have at least 10 months of coverage in the last 14 months (or 15 months in the last 22 months) and must not receive a similar payment from any other source.

**Maternity grant:** Paid for the purchase of clothing and other necessities for a newborn child.

**Hospitalization grant:** Paid for necessary hospitalization for a birth.

**Multiple birth allowance:** Paid for the birth of three or more children, of which at least three survive past 30 days. The mother must be entitled to the maternity grant.

**Hospital transportation costs:** Provided for women who travel by ambulance to a hospital and give birth within three days of arriving at the hospital. The hospital must be the one nearest to the woman's residence.

**Special allowance and special benefit:** Paid for a mother who was insured for the maternity grant and who died while giving birth or within a year of giving birth.

Benefits are payable abroad under bilateral agreement.

### **Sickness and Maternity Benefits**

**Sickness benefit:** Benefits are provided to employees under collective agreements; 75% of earnings are paid for 90 days (no limit and up to 100% of earnings if stipulated in a collective agreement).

**Maternity allowance:** 100% of the insured's average daily net income in the 3 months preceding the day on which the insured woman ceased work because of the pregnancy is paid for 14 weeks; 7 weeks for a partial benefit.

**Risk pregnancy grant:** For each day of rest from work, an insured woman is paid the disability basic amount divided by 30 or the insured woman's income in the 3 months preceding the day she stopped work divided by 90, whichever is lower.

**Maternity grant:** 1,615 new shekels is paid for the first child, 727 new shekels for the second child, and 484 new shekels for the third or subsequent child (higher for multiple births).

**Hospitalization grant:** 9,813 new shekels for hospitalization expenses is paid.

**Multiple birth allowance:** A percentage of the disability basic amount in January of the year of childbirth is paid for 20 months.

The disability basic amount is 8,074 new shekels a month.

**Hospital transportation costs:** In certain cases, a fixed amount is paid for the cost of transportation to the hospital.

**Special allowance:** For 24 months after the birth of a child, 30% of the national average is paid to the mother for each child born at her last birth. The entitlement period is reduced to 12 months if the spouse is also receiving survivor or dependent benefits.

The national average wage is 8,015 new shekels a month.

**Special benefit:** If the spouse stops working to care for the child(ren), the injury allowance (75% of earnings, up to a maximum) is paid for up to 12 weeks.

### **Workers' Medical Benefits**

Services are provided by doctors in hospitals owned and operated by, or under contract with, the sick fund. Benefits include general and specialist care, medicine, laboratory services, hospitalization, and rehabilitation.

Cost sharing: Patients pay a set amount toward the cost of drugs and appliances, which varies according to the sick fund.

### **Dependents' Medical Benefits**

Services are provided by doctors in hospitals owned and operated by, or under contract with, the sick fund. Benefits include general and specialist care, medicine, laboratory services, hospitalization, and rehabilitation.

Cost sharing: Patients pay a set amount toward the cost of drugs and appliances, which varies according to the sick fund.

### **Administrative Organization**

Ministry of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

Sickness insurance and medical care are administered by four funds under the supervision of the Ministry of Health (<http://www.health.gov.il>); Leumit (National) Sick Fund (<http://www.leumit.co.il>); Clalit (General) Sick Fund (<http://www.clalit.org.il>); Maccabi Healthcare Services (<http://www.maccabi-health.co.il>); and Meuhedet (United) Sick Fund (<http://www.meuhedet.co.il>).

## **Work Injury**

### **Regulatory Framework**

**First and current laws:** 1953 (national insurance), implemented in 1954; and 1956 (self-employed persons), implemented in 1957.

**Type of program:** Social insurance system.

### **Coverage**

Employed persons, self-employed persons, members of cooperatives, vocational trainees and those undergoing vocational rehabilitation, working prisoners, foreign residents working in Israel, migrant workers working in Israel, and, under certain conditions, Israelis working abroad.

Exclusions: Police, prison service, and defense force employees.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** 0.39% of earnings below and 0.68% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are 2,004 new shekels.

The national average wage is 8,015 new shekels a month.

**Employer:** 0.41% of earnings below and 0.59% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the minimum wage).

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

The national average wage is 8,015 new shekels a month.

**Government:** 0.03% of payroll and earnings.

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the minimum wage).

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

### **Qualifying Conditions**

#### **Work injury benefits**

**Temporary disability benefit (injury allowance):** Paid for a temporary work incapacity and absence from work as the result of a work injury or prescribed occupational disease. There is no minimum qualifying period.

*Temporary disability pension:* Paid to a worker assessed with a temporary degree of disability of at least 9%. There is no minimum qualifying period.

*Permanent disability pension:* Paid to a worker assessed with a permanent degree of disability of at least 20%. There is no minimum qualifying period.

*Disability grant:* Paid to a worker assessed with a permanent degree of disability of at least 9% but less than 20%. There is no minimum qualifying period.

*Special pension and special grant:* Paid for an assessed degree of disability of at least 75%; 65% to 74% for persons with difficulty walking.

*Survivor pension:* Paid to a widow aged 40 or older; regardless of age with a dependent child or if unable to support herself. Paid to a widower who has a dependent child, or without children if aged 40 or older and unable to support himself or has an income below 4,569 new shekels a month.

*Survivor grant:* Paid to a widow or widower who is not entitled to a survivor pension.

*Marriage grant:* Paid to a widow(er) who remarries. (The widow(er)'s right to the survivor pension ceases on remarriage.)

*Death grant (work injury-related death):* Paid to the deceased's spouse and children if the deceased received a disability pension for an assessed degree of disability of at least 50%, had reached retirement age for the earnings-tested old-age pension, or received a dependent's allowance.

*Death grant (nonwork injury-related death):* Paid to the deceased's spouse and children if the deceased had an assessed degree of disability of at least 50% for at least 36 months before death and received a work injury disability pension throughout this period.

*Funeral grant:* Paid for the insured's funeral.

### Temporary Disability Benefits

**Temporary disability benefit (injury allowance):** The daily benefit is 75% of covered earnings in the 3 months before the injury, up to a maximum.

The benefit is paid after a 2-day waiting period (waived if the incapacity for work lasts at least 12 days) for up to 13 weeks. The benefit is paid by the National Insurance Institute, which is reimbursed by the employer for the first 12 days. Self-employed persons are not eligible for the benefit for the first 12 days of incapacity.

**Temporary disability pension:** A percentage of the insured's monthly wage is paid according to the assessed degree of medical disability. The pension is paid monthly.

### Permanent Disability Benefits

**Permanent disability pension:** If the insured has a total (100%) disability, the monthly pension is 75% of the insured's earnings.

**Partial disability:** A percentage of the full pension is paid according to the insured's earnings and assessed degree of disability.

**Income support:** Low-income recipients of disability pensions may receive an income supplement.

**Disability grant:** A lump sum of 43 months of the disability pension is paid.

**Special pension and special grant:** A subsidy to help meet personal expenses and transportation costs is paid.

**Benefit adjustment:** Benefits are adjusted annually in January according to the increase in the consumer price index in the previous year.

### Survivor Benefits

**Survivor pension:** 40% to 100% of the disability pension that the deceased would have been entitled to receive if assessed with a total disability is paid, including supplements for children.

**Survivor grant:** A lump sum of 36 months of survivor pension is paid.

**Orphan's pension:** 20% of the disability pension that the deceased would have been entitled to receive if assessed with a total disability is paid for the first orphan and 10% each for the second and third. The pension is paid to the surviving spouse in addition to the survivor pension.

**Full orphan's pension:** 60% of the disability pension that the deceased would have been entitled to receive if assessed with a total disability is paid for the first orphan, 20% for the second, and 10% each for the third and fourth. The pension is paid if there is no surviving spouse entitled to the survivor pension.

**Other dependent relatives (in the absence of the above):** 50% of the disability pension that the deceased would have been entitled to receive if assessed with a total disability is paid for one dependent, up to 100% for four or more dependents.

**Income support:** Low-income disability pensioners may receive an income supplement.

**Marriage grant:** A grant of 36 months of pension is paid in two installments the first, on marriage and the second, 2 years later).

**Death grant (work injury-related):** A lump sum of the disability basic amount is paid.

The disability basic amount is 8,074 new shekels.

**Death grant (nonwork injury-related):** 60% of the disability pension that the deceased would have been entitled to receive if assessed with a total disability multiplied by 36 is paid in two installments.

**Funeral grant:** On the death of the insured, the cost of the funeral is paid, up to a maximum, to the organization responsible for the funeral service.

### Administrative Organization

Ministry of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

## Unemployment

### Regulatory Framework

**First and current laws:** 1970 (unemployment insurance) and 1973 (payment of benefits).

**Type of program:** Social insurance system.

### Coverage

Employed persons residing permanently or temporarily in Israel aged 20 (under certain circumstances, aged 18) to 67.

Exclusions: self-employed persons.

### Source of Funds

**Insured person:** 0.01% of earnings below and 0.21% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the minimum wage).

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

The national average wage is 8,015 new shekels a month.

**Self-employed person:** Not applicable.

**Employer:** 0.03% of earnings below and 0.04% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the minimum wage).

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

The national average wage is 8,015 new shekels a month.

**Government:** 0.06% of earnings for employees.

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the minimum wage).

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

### Qualifying Conditions

**Unemployment benefits:** Must be involuntarily unemployed, registered at the labor exchange, and ready and able to perform any suitable work.

**Regular employee:** Must have paid contributions for at least 360 work days in the last 540 days before unemployment.

**Daily employee:** Must have paid contributions for at least 300 work days in the last 540 days before unemployment.

### Unemployment Benefits

A daily benefit of 20% to 80% of the insured's average daily wage in the last 75 days of work before unemployment is paid.

The maximum daily benefit is 320.60 new shekels for the first 5-month period and 213.73 new shekels for the second period (from the sixth month onward). The benefit is paid after a 5-day waiting period (the waiting period is also applied each time the insured has received unemployment benefits for 4 consecutive months).

The maximum duration of payment varies according to the category of beneficiary, from 50 to 175 days.

### Administrative Organization

Ministry of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

## Family Allowances

### Regulatory Framework

**First law:** 1959.

**Current laws:** 1975 (children's insurance), 1984 (income test), and 1993 (universal).

**Type of program:** Universal system.

### Coverage

All persons residing in Israel with one or more children.

### Source of Funds

**Insured person:** None.



**Self-employed person:** 1.32% of earnings below and 2.4% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are 2,004 new shekels (25% of the national average wage).

The national average wage is 8,015 new shekels a month.

**Employer:** 1.47% of earnings below and 2.08% of earnings above 60% of the national average wage.

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the minimum wage).

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

The national average wage is 8,015 new shekels a month.

**Government:** 0.8% of earnings and 169% of the total amount received from insurance contributions, as well as the funding of the study grant and payments to new immigrant children.

The minimum monthly earnings used to calculate contributions are 3,850 new shekels (equal to the minimum wage).

The maximum monthly earnings used to calculate contributions are 10 times the old-age basic amount as of January 1 each year (temporary measure).

The old-age basic amount is 7,975 new shekels a month.

### **Qualifying Conditions**

**Family allowances:** The child must be younger than age 18 and residing in Israel.

### **Family Allowance Benefits**

**Family allowances:** For children born before June 1, 2003: 165 new shekels a month is paid for the first child, 195 new shekels for the second child, 284 new shekels for the third, 446 new shekels for the fourth, and 336 new shekels for the fifth and each subsequent child.

For children born on or after June 1, 2003: 165 new shekels a month is paid for the first child, 195 new shekels for the second child, 252 new shekels for the third, 252 new shekels for the fourth, and 165 new shekels for the fifth and each subsequent child.

**Benefit adjustment:** Benefits are adjusted annually in January according to the increase in the consumer price index in the previous year.

### **Administrative Organization**

Ministry of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.