

## Israel

Exchange rate: US\$1.00 equals  
4.50 new shekels (NS).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First and current laws:** 1953 (national insurance), implemented in 1954; 1955 (survivor pensions); 1957 (old-age pensions), with 1996 amendment; 1970 (disability insurance); 1974 (pensions), with 1977, 1979, and 1981 amendments; 1980 (long-term care insurance); 1980 (income support); 1982 (benefits); and 1988 (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 when aged 60 to 62, depending on the month 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 maintenance is paid entirely by the state, the Jewish Agency, a local authority, or religious institution; persons serving in the regular army and their spouses; members of a kibbutz or cooperative village; vehicle owners (unless disabled in the legs or dependent on the vehicle for medical reasons); and students in higher education.

#### Source of Funds

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

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage). (A person earning less than this amount pays contributions as if earning the minimum.)

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year.

The national average wage is NS7,383 (July 2006).

**Self-employed person:** 3.09% of earnings below, plus 5.21% of earnings above, 60% of the national average wage

(old-age and survivor pensions); 1.11% of earnings below, plus 1.86% of earnings above, 60% of the national average wage (disability benefits); and 0.12% of earnings below, plus 0.18% of earnings above, 60% of the national average wage (long-term care).

The minimum earnings for contribution purposes are NS1,846 (25% of the national average wage). (A person earning less than this amount pays contributions as if earning the minimum.)

The national average wage is NS7,383 (July 2006).

**Employer:** 1.87% of earnings below, plus 2.14% of earnings above, 60% of the national average wage (old-age and survivor pensions); 0.38% of earnings below, plus 0.44% of earnings above, 60% of the national average wage (disability benefits); and 0.06% of earnings below, plus 0.07% of earnings above, 60% of the national average wage (long-term care).

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage). (A person earning less than this amount pays contributions as if earning the minimum.)

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year.

The national average wage is NS7,383 (July 2006).

**Government:** 0.25% of earnings (old-age and survivor pensions), 0.10% of earnings (disability benefits), and 0.02% of earnings (long-term care) on behalf of government employees; subsidizes old-age and survivor pensions at a rate of 15.78% 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.

#### Qualifying Conditions

##### Old-age pension

**Social insurance:** The retirement age for the earnings-tested pension is age 66 (men) or age 61 (women); the pensionable age (absolute age for receiving the pension, without an earnings test) is age 70 (men) or age 66 (women).

The retirement age for the earnings-tested pension is rising gradually to age 67 (men) or age 62 (women), and the pensionable age (absolute age for receiving the pension, without an earnings test) is rising gradually to age 70 (men and women).

**Reduced pension:** The pension is reduced until age 70 (men) or age 65 (women) if income from work exceeds between 57% and 76% of the national average wage (according to the number of dependents). The national average wage is NS7,383 (July 2006).

Must have 5 years of coverage in the last 10 years or a total of 12 years of coverage; insured women who are widowed,

divorced, deserted, married to an uninsured husband, or unmarried and aged 56 or older at the time of immigration are exempt from the qualifying period, as are women who received a disability pension for the 12 months preceding age 60.

**Earnings test:** The pension is reduced or suspended until the insured is of pensionable age if income from work exceeds 57% (for a single person) or 76% (for a person with dependents, according to the number of dependents) of the national average wage. There is no earnings test if the insured is of pensionable age. The national average wage is NS7,383 (July 2006).

**Deferred pension:** Paid between the earnings-tested age and the pensionable age to persons who were previously ineligible to receive the pension because of the earnings test.

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

**Seniority increment:** The increment is paid for years of coverage exceeding 10 years. A housewife is not eligible.

**Special old-age benefit (social assistance):** A government-financed pension for new immigrants not insured because of their age at the time of immigration and insured persons who emigrated from Israel then returned and do not satisfy the qualifying period condition at the pensionable age.

**Income support benefit (social assistance):** Must have 24 months of continuous residence (12 accumulative months for new immigrants), subject to an earnings and employment test; incapable of providing self with earned income sufficient for subsistence.

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

Benefits are payable abroad under bilateral agreement.

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

**Additional monthly pension:** Paid to those with an assessed functional loss of earning capacity of at least 75% who do not reside in an institution at the main expense (over 50%) of a public body and who have an assessed degree of medical disability of at least 50%.

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

**Attendance allowance:** Paid to persons dependent on the help or supervision of others for performing everyday functions. Must be assessed as at least 60% disabled and

receiving the disability pension; if not receiving the disability pension, at least 75% disabled and subject to an earnings test.

**Disabled child benefit:** Must reside in Israel, must not be institutionalized or living with a foster family, and must not receive the mobility allowance (the mobility allowance may be received if the parent has two disabled children and under other permitted exceptional circumstances).

**Long-term care benefit (earnings-tested):** Must be of earnings-tested age for the old-age pension, must not be institutionalized, but must be dependent on the help or supervision of others for performing everyday functions. The benefit is not paid to a single person with income greater than 1.5 times the average wage, to a couple with income greater than 2.25 times the average wage, or to a person with a child with an additional income greater than 0.75 times the average wage for each child.

**Mobility allowance:** Must reside in Israel, be aged 3 or older but younger than the retirement age as defined in law for men (age 66 in July 2006), and have an assessed loss of mobility. A medical committee assesses the degree of loss of mobility.

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 of coverage in the last 5 years, 60 months in the last 10 years, or met the qualifying period for the old-age pension. The pension for a widow(er) ceases on remarriage.

A widow must have been married to the deceased 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 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 the survivor pension is less than the minimum income level for subsistence.

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

**Survivor grant:** Paid to a widow(er) younger than age 40 without dependent children or to a widower whose eligibility for a survivor pension has ceased.

**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 service.

Benefits are payable abroad under bilateral agreement.

## Old-Age Benefits

### Old-age pension

**Social insurance:** A single pensioner receives 16.2% of the old-age basic amount a month; a couple receive 24.3%.

The value of the old-age basic amount is NS7,152 (January 2006).

**Dependent's supplement:** 5.1% of the 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, up to age 22 in certain other cases).

**Income supplement:** Paid if income, including the pension, is less than the minimum level for subsistence. Rates vary between 28.5% and 62.4% of the old-age basic amount a month, depending on marital status and the number of children. The resulting amount is increased by an additional 7%.

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

**Seniority increment:** The pension is increased by 2% for each year of insurance coverage exceeding 10 years, up to a maximum equal 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):** A single pensioner receives from 20% to 25% of the old-age basic amount a month; a couple without children receive 27.5% to 37.5%. The benefit amount varies with age.

The value of the old-age basic amount is NS7,152 (January 2006).

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

### Permanent Disability Benefits

**Disability pension:** If the insured is assessed as at least 75% disabled, the full single disability pension is equal to 25% of the disability basic amount plus 7% of this amount. There is no earnings test.

The value of the disability basic amount is NS7,240 (January 2006).

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

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

**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. The supplement is increased by 7%.

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

**Attendance allowance:** 50%, 100%, or 150% of the full single 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.

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

**Disabled child benefit supplements:** The cost of schooling for disabled students and an additional pension for severely disabled children.

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

**Long-term care benefit (earnings-tested):** 93% of the full individual disability pension is paid if the beneficiary is largely dependent on the help of others; 150% 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 at 80%).

The benefit payment is reduced by 4%.

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

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

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

Benefit adjustment: The pension is adjusted periodically according to increases in the cost of automobile maintenance.

### **Survivor Benefits**

**Survivor pension:** 16.2% of the old-age basic amount is paid for a surviving spouse aged 50 or older or caring for a child.

The value of the old-age basic amount is NS7,152 (January 2006).

Child increment: 7.6% of the old-age basic amount is paid for each child.

A single child not covered by the survivor pension child increment receives 10.1% of the basic old-age amount; 7.6% of the old-age basic amount each if there is more than one child; 10.1% for each full orphan.

For a widow(er) between ages 40 and 49 with no children, the pension is 12.2% 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): A widow(er) with no children receives 28.5% of the old-age basic amount; a widow(er) with one child, 47.2% (minus NS148); a widow(er) with two or more children, 57.3% (minus NS148). The resulting pensions are increased by an additional 7%. For a single child (orphans and abandoned children), the pension is 25% of the old-age basic amount (minus NS148); for two children, 37.5% (minus NS296).

Survivor pension seniority increment: The pension is increased by 2% for each year the deceased had coverage exceeding 10 years, up to a maximum equal to 50% of the pension.

**Survivor grant:** For a widow(er) younger than age 40 with no children, a lump sum of 3 years' full pension is paid.

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

**Marriage grant:** The grant is equal to 36 months' pension and is paid in two installments (the first on marriage, the second 2 years after).

**Death grant:** A lump sum equal to the disability basic amount is paid to the widow(er) or children of a deceased pensioner. The value of the disability basic amount is NS7,240 (January 2006).

**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 rise 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**

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#### **Regulatory Framework**

**First and current laws:** 1953 (national insurance), implemented in 1954, with 1976 (vacation pay for adopting parents), 1986 (birth allowance), 1990 (risk pregnancy benefit), and 1997 (maternity allowance for father) 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 agreement. (Cash sickness benefits are not provided under the 1953 law).

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

**Maternity grant:** Insured women or the wife of the insured; persons not residing in Israel but who work there, including employed and self-employed women and the wives of employed and self-employed men. If not residing in Israel, the woman or her husband must have worked in Israel for at least 6 months immediately before the childbirth. The birth must occur in Israel.

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

#### **Source of Funds**

**Insured person:** 3.1% of earnings below, plus 5% of earnings above, 60% of the national average wage (medical benefits); 0.04% of earnings below, plus 0.87% of earnings above, 60% of the national average wage (maternity benefits). (Cash sickness benefits are not provided under the 1953 law.)

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage).

The maximum earnings for contribution and benefit purposes are five times the national average wage.

The national average wage is NS7,383 (July 2006).

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

benefits). (Cash sickness benefits are not provided under the 1953 law.)

The minimum earnings for contribution purposes are NS1,846 (25% of the national average wage).

The national average wage is NS7,383 (July 2006).

**Employer:** None for medical benefits; 0.16% of earnings below, plus 0.17% of earnings above, 60% of the national average wage for maternity benefits. (Cash sickness benefits are not provided under the 1953 law.)

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage).

The maximum earnings for contribution and benefit purposes are five times the national average wage.

The national average wage is NS7,383 (July 2006).

**Government:** None for medical benefits; 0.09% of earnings for maternity benefits. (Cash sickness benefits are not provided under the 1953 law.)

### Qualifying Conditions

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

**Cash maternity benefits:** The full benefit is paid with 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.

A father with 10 months of coverage in the last 14 months or 15 months in the last 22 months may share the maternity leave period with his wife (and take a period of leave of at least 21 consecutive days) if his employer authorizes the leave period and his wife agrees to waive part of her leave and return to work.

**Vacation pay for adopting parents:** Paid for the cessation of work as a result of adopting a child younger than age 10. At least one of the adopting parents must have 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 as a result of a risk to the pregnancy, in accordance with the medical authorization of a gynecologist. The insured must have 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 and hospitalization grant:** Paid for a birth for which hospitalization was necessary.

**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 have to travel by ambulance to a hospital to give birth. If the

ambulance journey is more than 40 kilometers, the National Insurance Institute pays the cost of transportation beyond the first 20 kilometers. The hospital must be the one nearest to the woman's place of 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 agreement; 75% of earnings are paid for 90 days (up to 100% of earnings without limit if stipulated in a collective agreement).

**Maternity allowance:** The benefit is equal to 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. The allowance is payable for 12 weeks; 6 weeks if only the lower contribution condition is satisfied.

**Risk pregnancy grant:** For each day of rest from work, a sum is paid equal to the average wage 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 (layette):** NS1,448 is paid for the first child, NS652 for the second child, and NS434 for the third or subsequent child (higher for multiple births) for the purchase of clothing and other necessities for a newborn child.

**Hospitalization grant:** A grant for the payment of hospitalization expenses is provided.

**Multiple birth allowance:** An allowance is paid for 20 months and calculated as a percentage of the disability basic amount in January of the year of childbirth.

The value of the disability basic amount is NS7,240 (January 2006).

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

**Special allowance:** 30% of the national average wage is paid for a period of 24 months for each child of the last childbirth. The entitlement period is reduced to 12 months if the spouse is also receiving survivor or dependent benefits.

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

All maternity benefit payments, except for the hospitalization grant, are reduced by 4%.

### Workers' Medical Benefits

Services are provided by doctors in hospitals owned and operated by, or under contract to, the sick fund. Benefits

include general and specialist care, medicines, 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 to, the sick fund. Benefits include general and specialist care, medicines, 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**

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#### **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, plus 0.68% of earnings above, 60% of the national average wage.

The minimum earnings for contribution purposes are NS1,846 (25% of the national average wage).

The national average wage is NS7,383 (July 2006).

**Employer:** 0.54% of earnings below, plus 0.61% of earnings above, 60% of the national average wage.

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage).

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year.

The national average wage is NS7,383 (July 2006).

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

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage).

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year.

The national average wage is NS7,383 (July 2006).

### **Qualifying Conditions**

#### **Work injury benefits**

**Temporary disability benefit (injury allowance):** Paid for a 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 as disabled as the result of a work injury, with a temporary assessed degree of disability of at least 5%. There is no minimum qualifying period.

**Permanent disability pension:** Paid to a worker recognized as disabled as the result of a work injury, with a permanent assessed degree of disability of at least 20%. There is no minimum qualifying period.

**Disability grant:** Paid to a worker with a permanent degree of assessed disability of at least 5% 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 those who have difficulty walking.

**Survivor pension:** Paid to a widow who is aged 40 or older; regardless of age with a dependent child or if unable to support herself. Also payable to a widower who has a dependent child; regardless of dependent children if unable to support himself or has income below a determined level.

**Survivor grant:** Paid to a widow 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 the earnings-tested age for the 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 was receiving 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 calculated on the basis of 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 a maximum of 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.

The benefit is reduced by 4%.

**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 is totally (100%) disabled, the monthly pension is equal to 75% of the insured's earnings.

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

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

**Disability grant:** A lump sum is paid equal to 43 months' pension.

**Special pension and special grant:** Financial aid is provided to help meet personal expenses and transportation costs, up to a maximum.

**Benefit adjustment:** Benefits are normally adjusted annually in January according to changes in the consumer price index.

### Survivor Benefits

**Survivor pension:** The pension is equal to between 40% and 100% of the disability pension that the deceased would have been entitled to if assessed as totally disabled, including supplements for children.

**Survivor grant:** A lump sum equal to 36 months' survivor pension.

**Orphan's pension:** 20% of the disability pension that the deceased would have been entitled to if assessed as totally disabled 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 if assessed as totally disabled is paid for the first orphan, 20% for the second, and 10% each for the third and fourth.

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

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

**Marriage grant:** A widow(er) who remarries receives a grant equal to 36 months' pension. The grant is paid in two installments (the first, on marriage; the second, 2 years later).

**Death grant (work injury-related):** A lump sum is paid equal to the disability basic amount. The value of the disability basic amount is NS7,240 (January 2006).

**Death grant (nonwork injury-related):** The grant is equal to 60% of the disability pension that the deceased would have been entitled to if assessed as totally disabled multiplied by 36. The grant is paid in two installments.

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

### 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 and aged 20 (under certain circumstances, aged 18) to the earnings-tested pension age as defined in law for men (age 66, rising gradually to age 67).

### Source of Funds

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

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage).

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year.

The national average wage is NS7,383 (July 2006).

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

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

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage).

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year.

The national average wage is NS7,383 (July 2006).

**Government:** 0.06% of earnings on behalf of government employees.

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage).

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year.

The national average wage is NS7,383 (July 2006).

### Qualifying Conditions

**Unemployment benefits:** Must be involuntarily unemployed, aged 20 (under certain circumstances, aged 18) to the earnings-tested pension age as defined in law for men (age 66, rising gradually to age 67), registered at the labor exchange, and ready and able to perform any suitable work.

**Regular employee:** Must have 360 days of contributions in the last 540 days before unemployment.

**Daily employee:** Must have 300 days of contributions in the last 540 days before unemployment.

There is no qualifying period for demobilized soldiers or for young women who completed a period of national service (for up to 1 year after completion).

### Unemployment Benefits

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

The maximum daily benefit is NS295 for the first 5-month period and NS197 for the second period (from the sixth month onward). The benefit is payable 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

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#### 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:** 2.4% of earnings above, plus 1.39% of earnings below, 60% of the national average wage.

The minimum earnings for contribution purposes are NS1,846 (25% of the national average wage).

The national average wage is NS7,383 (July 2006).

**Employer:** 2.17% of earnings above, plus 1.91% of earnings below, 60% of the national average wage.

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage).

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year.

The national average wage is NS7,383 (July 2006).

**Government:** 0.1% of earnings plus an amount equal to 191.8% of all receipts from insurance contributions, the funding of the study grant, and payments to new immigrant children.

The minimum earnings for contribution purposes are NS3,585 (equal to the minimum wage).

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year.

The national average wage is NS7,383 (July 2006).

#### Qualifying Conditions

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

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### **Family Allowance Benefits**

**Family allowances:** NS148 a month is paid for each of the first two children, NS178 for the third, and NS329 for the fourth and each subsequent child.

For children born on or after June 1, 2003, a uniform rate of NS148 per child is paid regardless of the child's place in the family. For those born before that date, a gradual reduction will take place in the rates so that by January 2009 the same rate will be payable for each child, regardless of the child's place in the family.

Benefit adjustment: Benefits are normally adjusted annually in January according to changes in the consumer price index.

### **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.