

11. Unemployment Benefits

A. General

Unemployment benefits are designed to ensure income for workers during times of unemployment, and to prevent a sharp drop in their living standards. As in every insurance system, unemployment benefits serve as a necessary safety net, and they are intended to assist the unemployed in fulfilling their earning potential by enabling them to seek jobs appropriate to their abilities. Following stricter legislation enacted in the years 2002-2007, unemployment benefits and grants are paid under the conditions specified below.

B. Conditions of Entitlement to Unemployment Benefits

Unemployment benefits are paid to jobless individuals who were working for the required qualifying time period mandated by law prior to their unemployment – 12 months of employment out of the last 18 months prior to unemployment. Entitlement to unemployment benefits is granted after a waiting period of five days for those fired from their jobs and willing to accept alternative work through the Israeli Employment Service. Work offered to unemployed individuals aged 35 and older must be suitable work in terms of profession, salary, and distance from home. Other unemployed individuals must accept any job offered them by the Employment Service.

Unemployment benefits are paid for a maximum period of 50-175 days, depending on age, education, and family status¹. Jobless individuals with at least 12 years of schooling, who participate in vocational training are entitled to unemployment benefits for the maximum period, like other unemployed persons. Unemployed individuals with less than 12 years of schooling participating in vocational training are entitled to benefits for a maximum period of 138 days, although their entitlement without vocational training would have been 50 to 100 days.

Unemployment benefits are calculated in accordance with age and salary of the unemployed² immediately prior to unemployment, and the benefits have limited levels:

- 1 The maximum benefit period is calculated based on the following terms:
- * 50 days: for a claimant aged 25 or younger, with fewer than 3 dependents.
 - * 67 days: for a claimant aged over 25 but not older than 28, with fewer than three dependents.
 - * 70 days: for a discharged soldier (as defined below).
 - * 100 days: for a claimant aged over 28 but not older than 35, with fewer than three dependents.
 - * 138 days: for a claimant not older than 35 with fewer than 3 dependents, or a claimant over 35 but not older than 45 with fewer than 3 dependents.
 - * 175 days: for a claimant older than 35 but younger than 45 with fewer than 3 dependents, or a claimant over age 45.

2

Portion of unemployed individual's salary	Up to age 28	Older than 28
Portion of salary up to half of average salary	60%	80%
Portion of salary over half of average salary up to 3/4 of it	40%	50%
Portion of salary over ¾ and up to full average salary	35%	45%
Portion of salary equal to average salary and up to maximum insured salary	25%	30%

for the first five months of benefit receipt – not more than average salary, and from the sixth month – up to 2/3 of average salary. Unemployment benefits paid to the jobless not in vocational training are 70% of what would have been received had they been participating in vocational training.

Unemployment benefits for a discharged soldier: Until June 2007, a discharged soldier was exempt from a qualifying period and was eligible for unemployment benefits during the first year after discharge. As of July 2007, a discharged soldier must have a qualifying period of six working months in the first year after discharge in order to be entitled to unemployment benefits. The level of unemployment benefits equals 80% of the minimum wage for a maximum period of 70 days.

Grant for discharged soldier: In 2013, a soldier who worked at a preferred/required job as defined by law in the first two years following discharge, was entitled to a grant totaling NIS 9,370. The grant amount equals unemployment benefits per day times 138 (days) divided by 2. Soldiers who have exercised their rights to unemployment benefits are not entitled to this grant.

B. Legislative Changes

In 2014, there were no legislative changes regarding unemployment benefits, but a bill is currently being considered regarding the self-employed who are not currently covered by this safety net. The bill proposes to include them among the insureds in this Division, in return of course, for payment of insurance fees (see box 1).

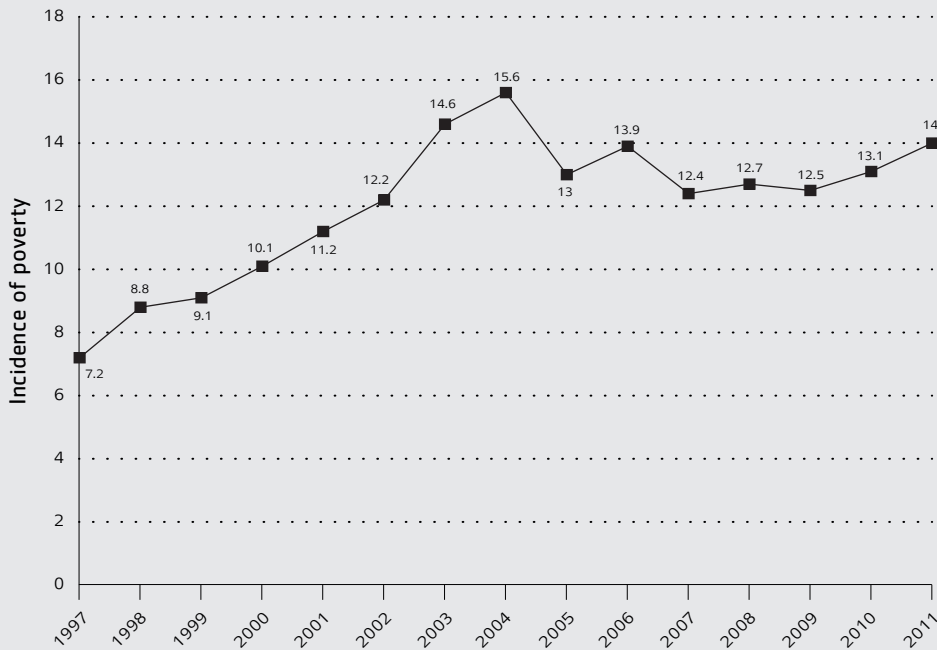
Box 1

Unemployed Insurance for the Self-Employed

In recent years the labor market has changed, with growing demand from businesses for freelancers. Therefore, in both the business and the public sectors, the link between workers and employers is based less and less on employment agreements and employer-employee relations. Sometimes workers become self-employed because they have no choice, and so they are not properly protected against unemployment. Many of them fall into a situation of low income and poverty (Diagram 1). As a result of this structural change in the labor market, it is important to review the subject of unemployment insurance for independent workers, its necessity and the social benefit involved. A central principle of such coverage is that it must not endanger the financial strength of national insurance. Below we present a model that offers a high probability of retaining the NII's financial strength (Table 2).

In this box we present the work done by the NII to estimate the proportion of self-employed who stop work (the unemployment rate), in order to estimate the budget required for their unemployment insurance, should such a law be passed.

Diagram 1
Incidence of net poverty in the self-employed (percentages), 1977-2011



The database for building the model

The NII has many sources of information, and each has its advantages and disadvantages. Ultimately the decision was taken to use the full collection file of salaried employees in order to estimate unemployment rates among the self-employed. An insured person is defined as someone who ceased being independent (the business closed) if for at least three months he/she has not been charged self-employed insurance contributions (we emphasize that this check was done on the basis of charges and not receipts, since sometimes there is a delay in the date of payment).

Table 1
Self-employed up to 67 years who stopped working
for at least three months, by qualifying period, 2009-2011

Year	Total self-employed (excluding limited companies) – monthly average	Businesses that closed during the year	Number of months paying insurance as self-employed (qualifying period)	
			Less than 24 months	24 or more months
2009	315,256	37,704	8,483	29,221
2010	326,547	39,871	9,540	30,331
2011	336,365	42,045	10,157	31,888

In 2009–2011 about 12% ceased being self-employed. During those years, the rate of unemployment ranged from 7.5% in 2009 to 5.6% in 2011. The rate of self-employed who had that status for at least two years (the qualifying period in the proposed bill on unemployment insurance for the self-employed) before stopping work according to NII figures is 75%, and the rate of the unemployed who had been salaried in the last year based on the CBS survey is about 50%. The conclusion is that the potential rate of independent workers who would be eligible for insurance is higher than the rate of salaried employees.

A breakdown of unemployed independent workers by age shows that about $\frac{3}{4}$ of them are over 34 years old, compared to about a third of unemployed salaried workers. It appears therefore, that most of the self-employed who could be unemployed would be eligible for long periods of payment.

Table 2
Self-employed who ceased working for at least 3 months, by age, 2009–2011 (percentages)

Year	Total	Age group				
		Up to 24	24-27	28-34	35-44	45-67
2009	100.0	3.9	4.8	16.2	20.1	54.9
2010	100.0	3.8	4.8	16.0	20.6	54.8
2011	100.0	4.0	5.1	16.5	20.8	53.6

The average charge for insurance contributions for this population is lower than for most independent workers: in 2011 the average income of the unemployed independent was NIS 4,896 compared to NIS 7,164 for self-employed as a whole. Of course it is possible that their income in the years prior to stopping work was higher than NIS 4,896, but for estimating purposes we have used this low figure, to reduce the estimated cost of the insurance.

Table 3
Monthly income subject to insurance contributions for self-employed, by type of activity, 2009–2011

Year	Total self-employed		Self-employed for at least 2 years who stopped working	
	Absolute number	Average income (NIS)	Absolute number	Average income (NIS)
2009	315,256	6,365	29,221	4,417
2010	326,547	7,529	30,331	4,348
2011	336,365	7,164	31,888	4,896

Estimated number eligible for unemployment benefit

Cross-checking the file of independent potential recipients of unemployment benefits with the pay file of employees showed that 17% of the self-employed became employees immediately after closing their businesses. We subtracted this proportion from the potential group, even though enactment of a law on unemployment insurance for the self-employed may change their behavior so that they would not rush to find salaried employment. This assumption is also favorable to the estimated cost of the insurance.

Table 4

Estimated potential for unemployment insurance for the self-employed

Number of self-employed - total	336,365
Stopped work and were independent for at least 24 months	31,888
Stopped work and were independent for at least 24 months less those who became salaried employees immediately after closing their business	26,467
Stopped work and were independent for at least 24 months – monthly average	9,132
Number of company owners	70,000
Company owners who closed their companies less those who became salaried employees	2,905
Company owners who closed their companies – monthly average	830
Total insured	406,365
Eligible for unemployment benefit	9,962
Percentage of total self-employed	2.45
Recipients of unemployment benefit as percentage of total employed workers	2.30

Table 5

Estimated income of self-employed (NIS)

Average income of all self-employed	7,164
Average income of company owners	14,000
Average income of all insured	8,342
Total insured	406,365
Total revenues per annum	40,676,626,320

Table 6

Estimated total cost of unemployment insurance (NIS)

Average income of self-employed eligible for unemployment benefit	4,896
Average daily unemployment benefit for self-employed	157
Average income of company owners	14,000
Average daily unemployment benefit for company owners	228
Average unemployment benefit for self-employed and company owners	162.9
Total cost per year	408,973,476

Table 7
**Estimated rate of collection for unemployment insurance
for budget balance**

Total annual revenues (NIS)	40,676,626,320
Total annual expenditure (NIS)	408,973,476
Expenditure as percentage of revenues	1.01

D. Data and Trends

Over the course of 2014, the number of unemployed receiving benefits rose approximately 4% on average per month, while the number of jobless dropped approximately 3%. In total, an average of approximately 72,000 people received unemployment benefits per month, versus 69,000 in 2013. The number of jobless totaled 223 thousand versus 228 thousand in the previous year. The number of benefit recipients and their percentage of the unemployed for the years 2001-2014 are presented in Table 1 below.

Table 1
**Unemployed Persons and Recipients of Unemployment
Benefits (Monthly Average), 2001-2014**

Year	*Nonemployed		Absolute numbers	% of nonemployed
	Absolute numbers (in thousands)	% of labor force		
2001	318.0	11.7	104,707	32.9
2002	356.6	12.8	97,052	27.2
2003	380.2	13.4	70,450	18.5
2004	377.4	12.9	58,350	15.5
2005	334.9	11.2	58,830	17.6
2006	320.9	10.5	55,941	17.4
2007	287.8	9.1	49,817	17.3
2008	245.2	7.6	48,045	19.6
2009	315.0	9.4	73,025	23.2
2010	283.9	8.3	58,634	20.7
2011	243.9	7.0	57,354	23.5
2012	247.1	6.8	61,759	25.0
2013	228.4	6.2	69,351	30.4
2014	222.5	5.7	72,054	32.4

* The data until 2011 are after adjustment.

Box 2
**Jobseekers at the Israeli Employment Service Exercising Rights to
Unemployment Benefits, 2013**

As has been mentioned, according to the Unemployment Benefits Law, only someone who has reported to an Israeli Employment Service bureau looking for work is entitled

to unemployment benefits. This box presents the results of an examination of the rate at which those who have met this initial condition have exercised their unemployment benefit rights.

The data were checked using a file of those who reported to the Employment Service during the course of 2013. This file, which included the number of days on which the jobseeker reported each month, was incorporated with administrative files from the National Insurance Institute, such as a health file, salary, and files of unemployment benefit claims.

The Employment Service file contains data on 305,029 people who registered at its offices during 2013. 15,918 of them did not report for subsequent registration, such that the potential population for entitlement to unemployment benefits is 289,111. 85.1% actually received unemployment benefits or had their claim rejected (Table 2).

Table 1
Persons Reporting to the Employment Service Based
on Number of Reported Days and the Population
Potentially Eligible for Unemployment Benefits

Total	305,029	100.0
Only registered	15,918	5.2
Reported at least once	289,111	94.8

A comparison of the people who did not submit a claim for unemployment benefits – 43,139 people (14.9%) – with salary files, indicated the following:

- 19,984 did not accumulate a qualifying period, meaning, they were not eligible for unemployment benefits.
- 13,326 had eligibility for unemployment benefits, but accumulated only up to five days, meaning they were included in the waiting period group not eligible for benefits.
- 4,123 did not stop working even though they reported to the Employment Service.

In total, 90% of those reporting to the Employment Service Bureau exercised their right to unemployment benefits.

Those who failed to submit a claim for unemployment benefits, and thus apparently did not exercise their eligibility, are distributed as follows: 18% Arabs; approximately half women; 60% up to age 34; 90% earning less than the average wage.

To summarize, only 2% of those reporting to the Employment Service failed to exercise their eligibility for employment benefits. It should be noted that any job seeker at the Employment Service Bureau receives complete information regarding

benefits and their terms of eligibility. As these people fulfilled this initial condition, it is reasonable to assume that their eligibility was not exercised with their full knowledge of the law in this matter. The total amount to which they would have been entitled they had submitted claims is approximately NIS 15 million.

Table 2
Persons Reporting to the Employment Service
by Eligibility for Unemployment Benefits

Submitted a claim for unemployment benefits	245,972	85.1
Failed to submit a claim for unemployment benefits – total	43,139	14.9
Failed to accumulate a qualifying period for unemployment benefits	19,984	6.9
Reported up to 5 days (unemployment benefit of NIS 0)	13,326	4.6
Continuously employed	4,123	1.4
Did not exercise their eligibility for unemployment benefits	5,706	2.0
Total	289,111	100.0

Table 3
Those Who Reported and Failed to Exercise Eligibility
for Unemployment Benefits – Select Characteristics

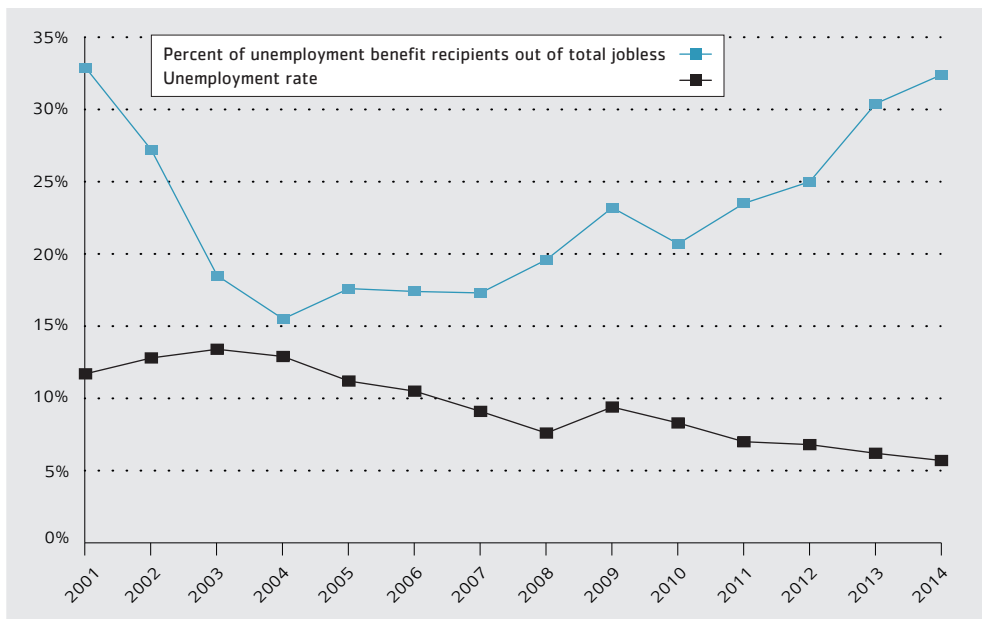
	Absolute numbers	Percent
Nationality		
Jewish	4,683	82.1
Arab	1,023	17.9
Gender		
Male	3,079	54.0
Female	2,627	46.0
Age		
24-20	1,025	18.0
34-25	2,216	38.8
44-35	1,004	17.6
54-45	716	12.5
55 and up	745	13.1
Monthly salary prior to reporting		
Up to NIS 4,000	2,364	41.4
NIS 4000 to 8000	2,643	46.3
NIS 8000 or more	699	12.3
Total	5,706	100.0

Approximately 32% of the jobless received unemployment benefits in 2014 – a rise of 7% versus 2013, stemming on the one hand, from the reduction in number of unemployed in 2014, and on the other, the increase in number of unemployment benefit recipients due to an amendment regarding day laborers. It should be noted that starting in 2001

the rate of benefit recipients among the jobless declined, while in 2011 this decline was halted and even slightly reversed, and in 2014 the rate returned to that at the beginning of the period under discussion.

There is a negative correlation between the unemployment rate and the number of benefit recipients among the jobless: when unemployment rates were high, the number of recipients grew, but their percentage among the unemployed dropped. When unemployment rates were low, the number of recipients dropped more moderately, and thus their percentage among the unemployed grew.

Figure 1
Unemployment Rate and Proportion of Unemployment Benefit Recipients among the Jobless, 2001–2014



E. Unemployment Benefit Recipients

In 2014, approximately 221 thousand different unemployed individuals received unemployment benefits for at least one month over the course of the year, equaling approximately 72 thousand on average per month – a rise of approximately 4% versus 2013. Following the legislative change in 2007 requiring discharged soldiers³ to accrue a qualifying period in order to be entitled to unemployment benefits, only 0.5% of the unemployed who received benefits in 2014 were soldiers; they had failed to accrue the qualifying period, even though they were only required to work for six months of the 12 months following their discharge (an unemployed civilian is required to have a qualifying period of 12 out of 18 months preceding unemployment) (Table 2).

3 Discharged soldier: an individual within two years of discharge.

Table 2
Recipients of Unemployment Benefits by Year of Unemployment, 2006-2014

Year	Total		Recipients of unemployment benefits who were employed			Discharged soldiers		
	Numbers	% change versus previous year	Total (numbers)	% of all recipients	% change versus previous year	Total	% of all recipients	% change versus previous year
Total								
2006	183,439	-3.4	153,538	83.7	-4.4	29,901	16.3	2.6
2007	162,759	-11.3	145,506	89.4	-5.2	17,253	10.6	-42.3
2008	156,450	-3.9	154,103	98.5	5.9	2,347	1.5	-86.4
2009	218,174	39.5	216,384	99.2	40.4	1,790	0.8	-23.7
2010	182,065	-16.5	180,662	99.2	-16.5	1,403	0.8	-21.6
2011	178,547	-1.9	177,149	99.2	-1.9	1,398	0.8	-15.4
2012	193,201	8.2	191,617	99.2	8.2	1,584	0.8	13.3
2013	217,802	12.7	216,038	99.2	12.7	1,764	0.8	11.4
2014	220,581	1.3	218,785	99.2	1.3	1,796	0.8	1.8
Monthly average								
2006	55,941	-4.9	49,294	88.1	-5.8	6,647	11.9	2.3
2007	49,817	-11.0	45,936	92.2	-6.8	3,881	7.8	-41.6
2008	48,045	-3.4	47,559	99	3.5	486	1	-87.5
2009	73,025	52	72,654	99.5	52.8	371	0.5	-23.7
2010	58,634	-19.7	58,343	99.5	22.7	291	0.5	-40.2
2011	57,354	-2.2	57,065	99.5	-2.2	289	0.5	-0.4
2012	61,759	7.7	61,431	99.5	7.7	328	0.5	13.5
2013	69,351	12.3	68,980	99.5	12.3	371	0.5	13.1
2014	72,054	3.9	71,671	99.5	3.9	383	0.5	3.2

Table 3
Unemployment Insurance Recipients Who Were Employed by Employment Service Classification (Percentages), 2006-2014

Year	Total	Holders of academic degree	Non-holders of academic degree
2006	100.0	26.1	73.9
2007	100.0	26.8	73.2
2008	100.0	28.3	71.7
2009	100.0	29.1	70.9
2010	100.0	28.3	71.7
2011	100.0	28.5	71.5
2012	100.0	28.8	71.2
2013	100.0	29.6	70.4
2014	100.0	29.3	70.7

Figure 2 presents the difference between the change in number of discharged soldiers receiving unemployment benefits and the change in number of discharged soldiers receiving grants up to 2006. In the wake of a legislative change that in practice canceled the entitlement of discharged soldiers to unemployment benefits, the correlation between the two series no longer held true.

Figure 2
Unemployment Benefit Recipients (Entire Population and Discharged Soldiers) and Recipients of Discharged Soldier Grants for Preferred-Employment, 1995-2014



A consideration of unemployment benefit recipients by Employment Service classification indicates that in 2013 and 2014 the rate of degree holders reached nearly 30% (Table 3). The rate of recipients studying in vocational training courses was less than 1% in recent years.

F. Unemployment Benefit Recipients Who Received a Benefit from the Income Supplement Service

Unemployed individuals who have fully exercised their rights to unemployment benefits, and for whom the Employment Service has no job whatsoever to offer, or to whom a job with a low salary was offered, are entitled to apply to the Income Supplement Service.

In order to estimate the number of jobless who received unemployment benefits and subsequently an income supplement benefit, a file of unemployed individuals who fully exercised their rights to unemployment benefits during the months January-June 2014 was cross-referenced with the 2014 file of individuals receiving an income supplement, in other

words those who completed receipt of unemployment benefits and who subsequently had at least six months in which they were able to submit a claim for an income supplement.

Approximately 37,000 unemployment benefit recipients fully exercised their rights in the first half of 2014, but only 2,900 of them (7.8% of those who had fully exercised their rights) received an income supplement benefit. This rate reached approximately 10% among the older group.

G. Extent of Unemployment (Length of Benefit Payment)

Unemployment benefits are paid to unemployed individuals for 50, 67, 100, 138, or 175 days – depending on age and number of dependents. In the years 2010–2011, as a result of an agreement legislated as a temporary measure at the beginning of 2009 – according to which the employment period required for receipt of benefits was shortened from 12 out of 18 months to 9 out of 18 months⁴ – there were other durations of payment – 65, 97, and 125 days. The exercising of rights to unemployment benefits is limited to a year from the first day of unemployment.

The extent of unemployment in 2014 relates to jobless individuals who had been unemployed for a full year, meaning their entitlement began in 2013. No significant change occurred in the average extent of unemployment between the two years: from 106 days in 2013 to 105 in 2014.

The rate of those exercising rights for the maximum payment period relative to the possible period mandated by law was higher in the youngest and oldest groups than in other groups (Table 4). This phenomenon reflects the difficulties of the oldest group, which suffers from low chances of integrating into the job market, and of the youngest group which does not manage to find jobs during the period in which they are paid unemployment benefits.

Table 4
Extent of Unemployment of Benefit Recipients Who Completed Their Year of Entitlement in 2014 (As a Percentage of Maximum Period) and the Maximum Period

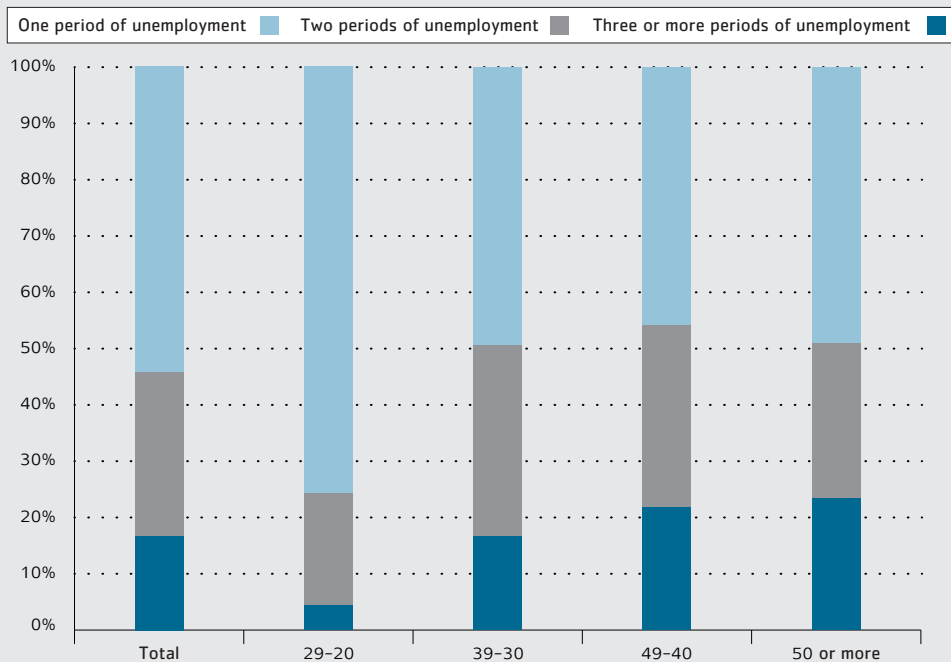
Maximum period (in days)	Total	Number of days of unemployment as percentage of maximum period (%)					Number of days of unemployment as % of maximum period
		Up to 25%	50%-26%	76%-51%	99%-76%	100%	
Total	100.0	9.3	11.0	10.8	20.9	48.0	80.3
50	100.0	6.5	10.3	10.2	18.0	55.0	84.5
67	100.0	6.2	11.0	13.3	18.7	50.8	85.8
70	100.0	36.1	10.2	10.4	16.3	27.1	52.9
100	100.0	8.3	11.8	12.9	27.4	39.5	79.6
138	100.0	9.7	12.8	11.0	21.0	45.5	78.5
175	100.0	10.3	9.8	9.3	18.6	51.9	79.8

4 See also the 2011 Annual Survey, p. 220.

Box 3**Do recipients of unemployment insurance claim the benefit more than once?**

In this box we will try to answer the question to what extent do people who have previously received unemployment benefits tend to claim it again. We will look at the unemployed who received the benefit in 2013: had they also received it during the 10 years prior to 2013?

In 2013 some 216,000 unemployed persons received benefits for several days during the course of the year. For the majority in the 11 years since 2002– 54% – this was the first time they had claimed unemployment pay, and for 29% it was the second time. In other words, 83% of the unemployed who received the benefit in 2013 had claimed it at most twice during 11 years, and only 17% had claimed unemployment pay at least three times. (Diagram 1)

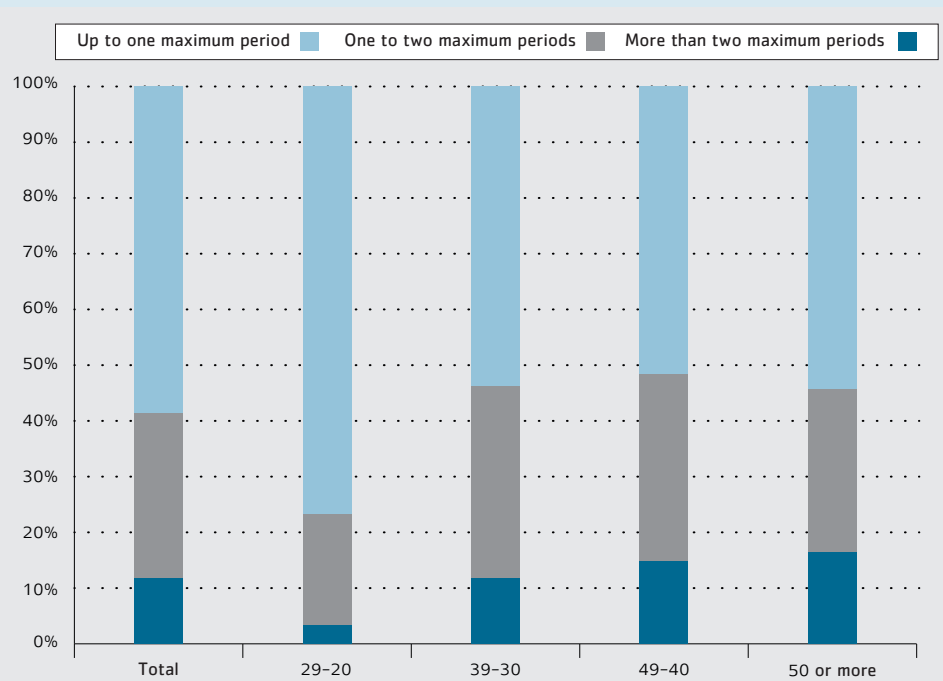
Diagram 1**Recipients of unemployment insurance in 2013
by number of periods of unemployment since 2003 and by age**

The unemployed in the last group, who had received unemployment pay three or more times, are usually seasonal workers, such as assistants in kindergartens or lecturers without tenure at universities and colleges, who receive unemployment pay

each year during the vacations at their institutions, generally in the summer months. They do not utilize their full eligibility each year, and below we will explain why.

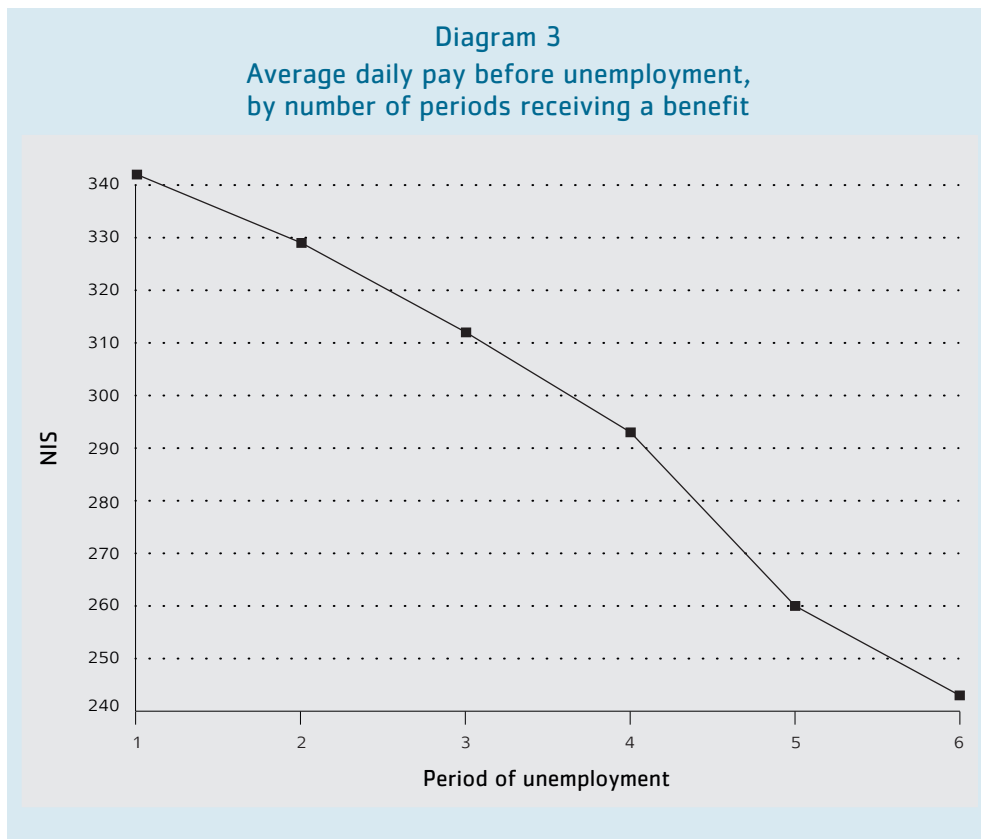
Each year, the days for which a benefit was paid are calculated as a proportion of the maximum period for that year. The breakdown of the total shows that 59% did not use even one maximum period during 11 years (Diagram 2). This rate is higher than the rate obtained from actual periods of unemployment. Another 29% utilized the maximum period once or twice. In other words, some 88% of the unemployed took advantage of less than two maximum periods over 11 years.

Diagram 2
Recipients of unemployment benefits in 2013
by number of maximum periods since 2003



The breakdown by age does not show any real differences, apart from the youngest age group, some of whom were apparently not yet in the labor market for at least some of the years prior to 2013.

Data regarding wages before the unemployment period show a correlation between the number of unemployment terms and wage level (Diagram 3). The lowest wage levels are found among the unemployed who claimed for several periods of unemployment. This phenomenon is familiar in the labor market – the low paid usually work in unskilled jobs that are not stable. The lower the pay, the higher the probability of being fired.



H. Level of Unemployment Benefits and Sum Total of Payments

As mentioned above, unemployment benefits in Israel are calculated based on a progressive formula that grants a diminishing replacement rate (rate of unemployment benefit out of total salary immediately prior to unemployment), in line with other social insurance programs. This format integrates two considerations: the insurance consideration – insurance against unemployment – according to which compensation granted to the unemployed and their families for standard of living maintenance does not fully replace the salary immediately prior to unemployment; and distribution of income – higher compensation for those with low salaries than for those with high salaries.

Also in 2014, average unemployment benefit payments decreased as a percentage of average salary by 2% versus 2013, after a drop of 3% in 2013 and continuous increases in previous years. These declines are explained by the legal change enacted in 2013, according to which there is no longer a distinction between unemployed day workers and unemployed monthly workers – resulting in the new unemployment benefit recipients being the weakest population in the labor market. As expected, unemployment benefits for women are 20% lower than for men, and they decreased at a higher rate than those of men.

Table 5
Level of Unemployment Benefits per Day* Relative to Average Daily Salary (Percentages), 2006-2014

Year	Total	Unemployment benefits per day relative to average daily salary					Average unemployment benefits as % of average salary
		Up to ¼ average salary	From ¼ to 1/3 average salary	From 1/3 to ½ average salary	From ½ to 2/3 average salary	From 2/3 to full average salary	
2006	100.0	6.5	8.3	44.2	28.5	12.5	48.7
2007	100.0	7.6	10.6	43.7	25.6	12.5	46.9
2008	100.0	6.7	9.9	40.4	27.3	15.7	49.9
2009	100.0	5.2	7.8	38	29.8	19.2	52.9
2010	100.0	6.2	9.1	38.8	29.1	16.9	51.0
2011	100.0	6.4	8.5	37.9	30.1	17.0	51.2
2012	100.0	5.6	7.8	37.1	31.7	17.8	52.1
2013	100.0	7.5	9.1	36.9	29.8	16.6	50.7
2014	100.0	9.2	10.3	36.4	28.0	16.1	49.6

Until 2008, average unemployment benefits did not reach half of the average salary (Table 5). In 2009, due to the economic crisis that resulted in a wave of firings including high-salaried employees, the rate of unemployment benefits as a proportion of average salary rose to 53%. Since then it has declined, until it once again dropped below half of the average salary in 2014. The percentage of unemployed who received unemployment benefits at a level of more than half of the average salary rose from 38% in 2007 to approximately 50% in the years 2011 and 2012. In the last two years, this rate has again begun to drop, reaching 44% in 2014, while at the same time the share of jobless receiving unemployment benefits lower than half of the average salary increased – from approximately 50% in 2011 at 2012 to 56% in 2014.

Table 6
Unemployment Benefit Payments (Millions of NIS), 2006-2014

Year	Current prices	Fixed prices (2014)	Rate of real change
2006	1,957	2,347	-3.8
2007	1,757	2,097	-10.7
2008	1,840	2,099	0.1
2009	3,028	3,343	59.3
2010	2,534	2,725	-18.5
2011	2,501	2,600	-4.6
2012	2,835	2,897	11.4
2013	3,176	3,191	10.2
2014	3,283	3,283	2.9

In 2014, the overall expenditure for payment of unemployment benefits totaled approximately NIS 3,283 million, versus NIS 3,176 in 2013 – a rise of about 3%. This rise comprises an increase of 4% in number of unemployment benefit recipients, and a drop of approximately 1% in average level of unemployment benefits.

