

5. Maternity Insurance

A. General

Women who give birth are granted the following benefits under Maternity Insurance:

Hospitalization grant – designed to finance expenses associated with birth and hospitalization of the mother and baby and paid directly to the hospital. In December 1993 the grant for premature babies was increased. In the first two years since the introduction of the National Health Insurance Law (in January 1995), hospitalization of mothers and babies, including premature babies, has been included in the health services basket defined by law. The National Insurance Institute funded this hospitalization from monies it collected for the Maternity branch. Since 1997 the hospitalization grant has again been paid directly to the hospitals. When a birth takes place abroad the hospitalization grant is paid directly to the mother who submits a claim.

The amount of the hospitalization grant varies as follows:

1. It is adjusted every January according to a formula defined by law, according to which payments for normal births and increments for prematurely born babies are no more or less than the amount that would be paid for such births had there been no difference between the amounts paid for a normal birth and those paid for a premature birth.
2. Whenever the Ministry of Health adjusts the daily cost of general hospitalization, the hospitalization grant is adjusted by the same amount.

Since April 2005, under the Economy Arrangements Law-2005, the hospitalization grant for premature births was increased by about 50%. The total annual cost of the increment for such births is about NIS 115 million and it is fully funded by the Ministry of Finance.

In January 2007, under the above law, the hospitalization grant was increased by 12.1%. The cost of this addition amounted to about NIS 151.6 million and it is fully funded by the Ministry of Finance.

Costs of transportation to the hospital – The National Insurance Institute pays for some of the expenses of transportation to the hospital for mothers who live far away from the hospital.

Birth grant – designed to cover the cost of initial layette purchases for the baby and paid directly to the mother. Up to July 2002 the grant for mothers was uniform, irrespective of the number of previous births, and was equal to 20% of the *average wage*. In August 2003 the grant for a second birth was set at 6% of the *average wage*, and in January 2004 it was increased to 9% of the *average wage*. The grant is higher when two or more babies are born in the same birth: for twins, an amount equal to the *average wage*, and another 50% of the *average wage* for every additional baby.

Maternity allowance – designed to compensate working mothers for loss of pay during maternity leave, which she has to take in accordance with the Women's Labor Law. A working mother –

salaried employee, self-employed or professional trainee – is eligible for a maternity allowance when prior to the birth, insurance payments were paid for her in the periods set out in the law. Maternity allowance is paid for 7 or 14 weeks, according to qualifying period accrued until the time set by law (before the law was amended in May 2007, maternity allowance was paid for 6 or 12 weeks). Since November 1994, daily maternity allowances replace the full salary or average income per day the mother earned in the three months prior to taking leave from work (at the time of the birth or prior to it), and no more than the maximum amount set out in the law. Income tax and national and health insurance contributions are deducted from maternity allowances at source. A woman may receive maternity allowance prior to the estimated birth date, but for no more than half of the period for which the mother is eligible to receive the allowance. In certain conditions maternity leave may be extended by up to four weeks. From 1998 men who shared maternity leave with their partners are eligible for maternity allowance, on condition that the mother has returned to work. Migrant workers are also eligible for maternity allowance and birth grant, as long as they are residents of Israel.

Childbirth allowance – paid to a woman who gives birth to three or more children in the same delivery, who were live for the period set out in the law, and designed to help pay for costs. The allowance, paid monthly for 20 months, is based on the *basic amount*, and is gradually reduced during the period of eligibility.

Risk pregnancy benefit – paid to a working woman who, for health reasons related to pregnancy, is forced to stop working for at least 30 days and does not receive pay from her employer or any other body for that period. The qualifying period that determines eligibility for this benefit is identical to that which establishes eligibility for maternity allowance. Since 1995 the benefit has been the equivalent of the average salary of the woman in the three months prior to taking leave, and no more than 70% of the *average wage*. In 2000 the law was amended and the maximum amount that can be paid became the full *average wage*.

Special allowance and special benefit – paid when a woman dies during childbirth or within one year of giving birth: a monthly allowance paid for each baby born at that birth, and equal to 30% of the *average wage* over a period of 24 months. If a surviving relative or dependant's allowance is paid to the child, the allowance is paid for a period of only 12 months. A special benefit is paid to the deceased woman's husband if he stops work in order to take care of the child, at the rate of the work injury allowance, for up to 12 months. In 2007 this benefit was paid in 11 cases.

B. Principal trends

In 2007 birth grants were paid out to about 148,000 mothers (Table 1) – an increase of about 3% compared with 2006, when the grant was paid to about 144,000 mothers. It should be noted that the number of births in the last two years is the highest since the law was passed.

About 45,000 births in 2006 were first births, about 40,000 were second births and about 63,000 were third or subsequent births¹. The breakdown of births in order of birth, as presented in Table 2, indicates that the fertility rate has decreased over the years, as shown in the Box in this chapter. The Box shows test findings in NII administrative files, according to which fertility among women has decreased in all sectors.

In 2006 the decline in first births ended and there was a rise in third and subsequent births. According to Central Bureau of Statistics figures, the fertility rate, which had been in constant decline since the 1960's, rose for the first time in 2006: from 2.84 in 2005 to 2.88 in 2006.

The hospitalization grants paid in 2007 included about 2,400 grants for premature births. The decrease in the number of hospitalization grants for premature births, which began in 2004, stopped in 2007, when this number rose by about 2.5%.

About 88,000 women received a maternity allowance in 2007, compared with about 83,000 women in 2006 – a rise of about 6%. As a result, the number of women who received a maternity allowance out of those who received a birth grant rose from 58% in 2006 to around 60% in 2007.

The average age of women receiving a maternity allowance continued to rise in 2007 and reached around 30, as compared with 28.7 in 1988, and it is similar to the average age of women giving birth in the population at large.

About 96% of women who received a maternity allowance were salaried employees (compared with 91% of all women employed), and the remainder – 4% – were self-employed, kibbutz members or members of a cooperative settlement.

As expected, the fertility rates of the women who received a maternity allowance were lower than those of other women – 3 and 4 children, respectively.

1 These estimates were made based on figures provided by the Central Bureau of Statistics for live births according to the child's position in the family.

Table 1
**Women who Received Hospitalization Grant and Maternity Allowance (monthly average),
 absolute numbers and percentages, 2000-2007**

Year	Received hospitalization grant		Received maternity allowance		
	Absolute numbers	Percentage of change	Total	% of all women who received hospitalization grant	Out of all employed women*
2000	134,720	8.5	70,641	52.4	70.0
2001	132,044	-2.0	71,176	53.9	68.8
2002	134,187	1.6	71,317	53.2	68.2
2003	142,363	6.1	73,948	51.9	69.3
2004	143,387	0.7	77,505	54.1	70.6
2005	142,890	-0.3	77,025	53.9	66.8
2006	143,688	0.6	83,285	58.0	70.0
2007	147,767	2.8	88,285	59.7	70.6

* For 1,000 women. Source for employed women figure: Central Bureau of Statistics statistical yearbooks.

Table 2
Breakdown of Live Births, by Order of Birth, 2000-2007

Year	Total	Order of birth (percentages)			
		1	2	3	+4
2000	100.0	30.1	25.8	18.0	26.0
2001	100.0	29.7	26.2	18.1	26.0
2002	100.0	29.5	26.2	18.1	26.3
2003	100.0	29.6	26.6	18.2	25.6
2004	100.0	29.9	26.8	18.4	25.0
2005	100.0	29.5	27.1	18.6	24.9
2006	100.0	29.2	27.4	19.0	24.4
2007	100.0	28.6	27.3	19.6	24.6

During 2007 the hospitalization grant was updated once, in January, according to the formula set out in the law, and according to the increment determined in the Economy Arrangements Law.

In 2007 there was an average nominal increase of 11.4% in the hospitalization grant for a normal birth and premature birth, compared with 2006. Due to the continued freezing of benefits, in 2007 the birth grant remained unchanged in nominal terms, but decreased by about 0.5% in real terms.

Table 3 shows that more than a third of women received daily maternity allowances of an amount equivalent to no more than half the average wage in the economy, and about a fifth received birth allowances of over the average wage.

Table 3
Recipients of Maternity Allowance, by Daily Allowance Level, as Percentage of Average Daily Wage (absolute numbers and percentages), 2000-2007

Year	Total recipients (numbers)	Level of daily maternity allowance (%)				
		Up to 1/4 of average wage	1/4-1/2 of average wage	1/2-3/4 of average wage	3/4 to full average wage	Over average wage
2000	70,641	7.4	29.9	28.5	16.1	18.1
2001	71,176	7.1	28.4	28.4	16.4	19.7
2002	71,377	6.9	26.5	28.6	17.1	21.0
2003	73,948	6.8	25.1	29.6	17.2	21.3
2004	77,505	7.9	26.6	29.0	16.6	19.8
2005	77,025	7.8	26.2	28.3	17.0	20.7
2006	83,285	8.7	28.2	28.1	15.4	19.6
2007	88,285	8.5	27.3	28.4	15.9	20.0

From 1995, the daily maternity allowance rose from 75% of the mother's salary to the full salary. As such, the amount of the maternity allowance represents the salary of working women of fertility age, and the breakdown of birth allowances as a percentage of the average wage matches the breakdown of the salary of women of these ages.

The amount of maternity allowances, similar to salaries, varies according to demographic and employment characteristics:

- The amount of the maternity allowance rises with the woman's age. The average maternity allowance in 2007 was NIS 194 a day, which is about 76% of the average wage. Women up to age 24 received a maternity allowance equivalent to about 41% of the average wage in the economy, while women aged over 35 received a maternity allowance close to the average wage.
- Maternity allowances paid in population centers in the center of the country were higher than those paid in the peripheral areas. The average daily maternity allowances paid in the Tel Aviv and Kfar Sava local branches, for example, were greater than the average wage, while allowances paid in the Bnei Barak and Nazareth branches were close to half the average wage.

C. Scope of payments

Table 4 shows the amount of benefits paid under the National Insurance Law in the Maternity branch, according to type of benefit. The figures indicate that in 2007 there was a sharp increase in payments for all types of benefits, principally for maternity allowances. This followed an amendment to the law that came into force in May 2007, which extended the maternity allowance payment period from 12 weeks to 14 weeks, as mentioned above. Hospitalization grant payments also rose following an increment determined in the 2007 Economy Arrangements Law.

In 2007 payments of the maternity branch accounted for 6.7% of all national insurance payments, compared with 5.9% in 2006.

Table 4
Payments for Maternity Benefits (2007 prices, NIS million), 2000-2007

Year	Total benefit payments	Hospitalization	Layette for the baby	Maternity allowance	Risk pregnancy
2000	2,358,182	988,136	209,517	1,096,998	53,829
2001	2,564,913	1,061,262	255,673	1,179,959	59,117
2002	2,532,669	1,029,687	247,788	1,188,436	57,667
2003	2,508,648	1,081,313	184,248	1,178,315	55,720
2004	2,519,433	1,096,621	130,518	1,226,848	55,722
2005	2,634,893	1,218,826	125,949	1,218,353	60,087
2006	2,832,170	1,280,723	137,275	1,328,347	74,050
2007	3,318,650	1,504,720	137,170	1,579,330	84,910

Box 12

Characteristics of Women Giving Birth, 1995-2007

The number of childbirths in Israel has risen steadily, from 80,000 during the 1970's to 150,000 in 2007. This Box discusses the differences in the characteristics of women giving birth and the changes in fertility patterns between 1995 and 2007. The analysis is based on the NII child allowance administrative file (updated to March 2008).

Table 1 indicates that the rate of young women out of all women giving birth has decreased over the years, while the rate of women who gave birth at a relatively advanced age has increased: from an average of 28.6 in 1995 to 29.9 in 2007.

In order to examine whether this rise in the average age is uniform through all classes of the population, four cities of different socio-economic characteristics were selected: Tel Aviv and Kefar Sava – situated on the higher deciles and defined as secular; Rahat – an Arab city with a high poverty rate; and Bnei Brak – where the rate of poverty is also high and which is defined as Orthodox. A comparison among these cities indicates that the lowest average age of women giving birth is in Bnei Brak – 28.5, and Rahat nears this age – 29. The average age of women giving birth is the highest in Tel Aviv and Kefar Sava: 31.7 (Table 2).

A comparison between the years indicates that as opposed to other towns and to the country in whole, the average age of a woman giving birth in Bnei Brak is ever decreasing – from 29.2 in 1995 to 28.5 in 2007. In the three other cities the average age has gone up: from 30 in 1995 to 31.7 in 2007 in Tel Aviv and Kefar Sava, and from 24.5 to 29 in Rahat.

Table 1

Women who Gave Birth, by Age and Year of Childbirth, 1995-2007

Year	Total number of births		Age of woman at childbirth				Average age
	Absolute numbers	Percentages	Up to age 25	26-30	31-35	36+	
1995	120,232	100.0	33.1	31.3	22.1	13.6	28.6
1996	123,895	100.0	32.2	31.7	22.2	13.9	28.7
1997	125,980	100.0	31.1	32.2	22.8	13.9	28.8
1998	130,138	100.0	31.1	32.6	22.3	14.0	28.9
1999	130,631	100.0	30.3	33.0	22.6	14.0	28.9
2000	134,410	100.0	29.5	33.4	23.1	14.0	29.0
2001	134,405	100.0	28.8	33.3	23.8	14.1	29.1
2002	137,685	100.0	27.5	33.3	24.5	14.6	29.3
2003	141,964	100.0	26.7	33.4	25.2	14.7	29.4
2004	141,114	100.0	26.4	32.7	26.0	15.0	29.5
2005	140,345	100.0	25.5	32.6	26.5	15.4	29.6
2006	143,709	100.0	25.0	31.9	27.3	15.9	29.7
2007	143,357	100.0	23.7	31.5	28.4	16.5	29.9

Table 2
Average Age of Women who Gave Birth, Selected Cities, 1995-2007

Year	Total	Rahat	Tel Aviv	Bnei Brak	Kefar Sava
1995	28.6	27.5	30.0	29.2	30.2
1996	28.7	27.7	30.2	29.3	30.6
1997	28.8	28.0	30.2	29.4	30.8
1998	28.9	28.1	30.4	29.4	30.3
1999	28.9	27.7	30.3	29.3	30.6
2000	29.0	28.2	30.5	29.2	30.6
2001	29.1	28.2	30.6	28.9	30.7
2002	29.3	28.4	30.7	29.0	30.9
2003	29.4	28.7	31.0	28.7	30.9
2004	29.5	28.7	31.3	28.7	31.3
2005	29.6	28.8	31.4	28.6	31.5
2006	29.7	28.9	31.6	28.5	31.4
2007	29.9	29.0	31.8	28.5	31.7

Table 3 points to a decrease in the rate of women who had 7 or more children, and an increase in the rate of women with two children. In total, the average number of children that a woman already had at childbirth decreased from 1.86 in 1995 to 1.81 in 2007, with slight fluctuations through the years.

A comparison among the four selected cities predictably indicates high fertility for women who gave birth in Rahat (four children) followed by Bnei Brak (three). In Tel Aviv and Kefar Sava the average number of children women already had at childbirth was one (Table 4). A steady decrease in the fertility of these women was found in all the cities.

Table 3
Women who Gave Birth, by Number of Children and Year of Birth, 1995-2007

Year	Absolute numbers	Number of children the woman had prior to childbirth								Average number of children
		0	1	2	3	4	5	6	7	
1995	120,232	29.7	25.3	18.3	10.8	5.9	3.6	2.2	4.1	1.86
1996	123,895	30.2	25.4	18.3	10.5	5.8	3.5	2.2	4.1	1.84
1997	125,980	30.3	25.5	18.2	10.5	5.8	3.4	2.2	4.1	1.84
1998	130,138	30.3	25.8	18.1	10.3	5.9	3.4	2.1	4.1	1.83
1999	130,631	30.1	25.9	18.1	10.4	5.8	3.4	2.1	4.2	1.84
2000	134,410	30.2	25.8	18.0	10.4	5.9	3.5	2.2	4.2	1.85
2001	134,405	29.7	26.2	18.1	10.1	6.1	3.4	2.2	4.2	1.86
2002	137,685	29.5	26.2	18.1	10.2	5.9	3.6	2.2	4.3	1.87
2003	141,964	29.6	26.6	18.2	10.0	5.8	3.5	2.1	4.2	1.85
2004	141,114	29.9	26.8	18.4	9.8	5.5	3.5	2.1	4.1	1.83
2005	140,345	29.5	27.1	18.6	9.8	5.6	3.4	2.2	3.9	1.82
2006	143,709	29.2	27.4	19.0	9.8	5.5	3.2	2.0	3.9	1.80

Table 4
Average Number of Children of Women who Gave Birth, Selected Cities, 1995-2007

Year	Total	Rahat	Tel Aviv	Bnei Brak	Kefar Sava
1995	1.86	4.22	1.16	3.48	1.15
1996	1.84	4.19	1.19	3.51	1.16
1997	1.84	4.26	1.13	3.56	1.19
1998	1.83	4.23	1.2	3.50	1.06
1999	1.84	4.01	1.11	3.48	1.13
2000	1.84	4.20	1.08	3.46	1.01
2001	1.85	4.11	1.13	3.36	0.99
2002	1.86	4.23	1.06	3.25	0.96
2003	1.87	4.16	1.04	3.17	0.98
2004	1.85	4.07	1.03	3.15	1.02
2005	1.83	4.05	0.98	3.09	0.95
2006	1.80	3.99	0.94	2.99	0.96
2007	1.81	3.85	0.93	3.02	1.01

Table 5 indicates a decrease in the rate of fertility through all age groups, aside from young women whose rate of fertility remained constant – 0.74. The most significant decrease was among women aged 31-35, whose fertility decreased by 18% through 1995-2007, as compared to a 10% decrease in other age groups.

A comparison of women aged 36 and over who gave birth among the selected cities shows that in Bnei Brak their fertility remains more or less constant through the years, even increasing in 2007. In other cities there was a decrease, and a particularly steep one in Rahat (Table 6).

Table 5
Average Number of Children of Women who Gave Birth,
by Age at Childbirth, 1995-2007

Year	Up to age 25	26-30	31-35	36+
1995	0.74	1.58	2.67	3.93
1996	0.73	1.53	2.60	3.92
1997	0.73	1.51	2.57	3.90
1998	0.74	1.50	2.56	3.90
1999	0.74	1.50	2.55	3.89
2000	0.74	1.49	2.50	3.97
2001	0.75	1.50	2.46	3.95
2002	0.74	1.50	2.42	3.94
2003	0.74	1.46	2.34	3.89
2004	0.74	1.43	2.31	3.78
2005	0.72	1.44	2.25	3.71
2006	0.72	1.41	2.20	3.59
2007	0.73	1.42	2.17	3.49

Table 6
**Average Number of Children of Women Aged 36 and Over who Gave Birth, Selected
 Cities, 1995-2007**

Year	Total	Rahat	Tel Aviv	Bnei Brak	Kefar Sava
1995	3.93	9.24	1.83	6.88	2.12
1996	3.92	8.90	1.95	6.89	2.07
1997	3.90	9.24	1.73	6.97	2.13
1998	3.90	8.95	1.95	7.01	2.00
1999	3.89	9.05	1.83	6.94	2.23
2000	3.97	9.24	1.75	7.13	2.01
2001	3.95	9.34	1.78	7.12	1.93
2002	3.94	9.67	1.72	6.96	1.97
2003	3.89	9.04	1.62	7.00	1.93
2004	3.78	8.87	1.57	6.97	1.90
2005	3.71	9.09	1.53	6.90	1.71
2006	3.59	8.97	1.44	6.85	1.70
2007	3.49	8.60	1.48	7.41	1.90