

5. Maternity Insurance

A. The benefits

Maternity insurance came into effect on April 1, 1954 and was among the first five insurance branches covered by the National Insurance Law. Maternity insurance grants women giving birth in Israel the following benefits:

Hospitalization grant – This grant is intended to fund the hospitalization and delivery-room expenses of women giving birth and their newborn children, and is paid directly to the hospital. Since December 1993, an increased hospitalization grant has been paid in the case of premature births. During the first two years after the enactment of the National Health Insurance Law (in January 1995), the hospitalization of women giving birth and their infants, including premature infants, was included in the basket of health services prescribed by the law. The NII funded childbirth hospitalization from the sums collected for the maternity insurance branch, which were transferred to the Ministry of Health. Since January 1997, the hospitalization grant is again being paid directly to the hospitals. If a woman gives birth while she is abroad, the hospitalization grant is paid directly to the mother upon submission of a claim.

The amount of the hospitalization grant varies as follows:

1. Every January, the amount is updated according to the formula prescribed in the law, whereby the payment for normal deliveries and an additional payment for premature deliveries will be equal to the total sum that would have been paid for these deliveries had there been no difference in the amounts of the grant between normal and premature deliveries.
2. Whenever the Ministry of Health changes the daily price of general hospitalization, the amount of the hospitalization grant changes at the same rate.
3. Pursuant to a government decision under the Arrangements Law – In recent years, the government has updated the amount of the hospitalization grant within the scope of the arrangements laws: in April 2005, the hospitalization grant for a premature birth was increased by about 50%; in January 2007, the hospitalization grant was increased for all births by 12.1%; in August 2009, the grant was increased again by about 10%. Government intervention in determining the amount of the hospitalization grant is, in effect, a means for injecting funds to hospitals via the NII.

Expenses of transportation to a hospital – The NII also participates in the expenses of transporting a woman in labor to a hospital. In 2008, the eligibility criteria for transportation to a hospital were made less stringent. Previously, a woman in labor had been eligible for transportation only if she lived a great distance from a hospital. Since March 16, 2008, every woman in labor is eligible for transportation to the hospital nearest to her place of residence.

Birth grant – This grant is designated for the purchase of a layette for the newborn and is paid directly to mothers. Until July 2002, the rate of the birth grant was uniform,

irrespective of the number of previous births, and was 20% of the statutory average wage. In August 2003, the rate of the grant was revised for the second and subsequent births and was set at 6% of the average wage. In January 2004, the rate of the birth grant was increased for the second child only, to 9% of the average wage. When two or more children are born in a single delivery, the birth grant is higher: for twins – the amount is equivalent to the average wage, and for each additional infant – another 50% of the average wage. Since January 2006, the amount of the birth grant has been calculated according to basic amount-1.

Maternity allowance – This benefit is intended to compensate working mothers for their loss of earnings during the maternity leave that they are obligated to take under the Employment of Women Law. All working mothers are eligible for a maternity allowance – employees, the self-employed and those in vocational training – for whom insurance contributions have been paid during the period prior to the birth, for the periods prescribed in the law. The maternity allowance is paid for seven or 14 weeks, depending on the qualifying period that the woman has accumulated by the date prescribed in the law (prior to an amendment to the law in May 2007, the maternity allowance had been paid for six or 12 weeks). Since November 1994, the maternity allowance per day replaces the full wage or the average earnings per day of the mother during the three months before she stopped working (upon going into labor or before it), but does not exceed the maximum amount prescribed in the law. Withholding tax, national insurance and health insurance contributions are collected from the maternity allowance.

Pregnant women may begin receiving a maternity allowance before their estimated delivery date, but for no more than half of their eligibility period for the allowance. Under certain circumstances, the maternity leave may be extended for a maximum of four weeks. Since 1998, men who share the maternity leave with their spouses can receive a maternity allowance, provided that the mother has returned to work.

Foreign working women are also eligible for a maternity allowance. The 2003 Arrangements Law prescribed that foreign workers who are staying in Israel without a permit as required by law are not eligible for a birth grant or for a maternity allowance.

Childbirth allowance – This allowance is paid to women who give birth to three or more babies in one delivery, who have remained alive for the period prescribed by law, and is intended to assist her with economic expenses. This multiple-birth allowance is paid monthly for 20 months. The amount of the allowance is derived from the basic amount and gradually diminishes during the period of eligibility.

Risk pregnancy benefit – This benefit is paid to working women who, for medical reasons relating to their pregnancies, are forced to stop working for at least 30 days and receive no payment from their employers or from any other source for those days. The qualifying period for eligibility for this benefit is the same as the qualifying period for a maternity allowance. At the beginning of 1995, the risk pregnancy benefit was set at

the woman's average wage during the three months before she stopped working, but not more than 70% of the average wage. In 2000, the law was amended, so that the maximum amount payable was the full average wage (since 2006, it is the full basic amount).

Special pension and special benefit – These benefits are paid if a woman dies during childbirth or within one year of that childbirth: a monthly pension of 30% of the average wage is paid for a period of 24 months for every infant born during that delivery. If the child is receiving survivors' benefit or a dependent's benefit, the pension is paid for 12 months only. A special benefit is paid to the spouse of the deceased, if he stopped working in order to care for his child, at the rate of injury benefit and for up to 12 weeks. This special pension is paid in about ten cases per annum.

B. Main trends

In 2011, birth grants were paid to approximately 163,000 women (Table 1) – a decrease of 2.2% compared with 2010. At the same time, the number of women of childbearing age (15 to 44) rose by 1.9%. In other words, the number of births per 1,000 women of childbearing age fell from about 95 births in 2010 to about 91 births in 2011.

Approximately 46,100 of the births in 2011 were first births, approximately 42,700 were second births, and approximately 74,000 were third or subsequent births, as shown in table 2. Approximately 3,900 were births of twins and approximately 80 were births of triplets or more.

Of the total number of hospitalization grants paid in 2011, 2,718 grants were paid in respect of premature births – about 40 more than in 2010.

In 2011, approximately 106,000 women received a maternity allowance, compared with approximately 103,000 women in 2010 – an increase of 2.3%. In those years the number of women of child-bearing age participating in the work force rose by 2.2%. In other words, the number of women who received a maternity allowance per 1,000 women participating in the work force remained the same in 2011 as in 2010 – 75 women.

The percentage of women who received a maternity allowance in 2011 was about 65% the number of women who received a birth grant. This is a significant increase compared

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Table 1
Live Births by Order of Birth (percentages), 2007-2011

Year	Total	First birth	Second birth	Third birth	Fourth and subsequent births
2007	100.0	28.6	27.3	19.6	24.6
2008	100.0	29.9	27.8	19.8	22.5
2009	100.0	29.8	27.1	20.0	23.1
2010	100.0	29.0	27.4	19.9	23.7
2011	100.0	29.6	27.4	19.7	23.3

Table 2
Women Receiving a Birth Grant and a Maternity Allowance
(monthly average) (absolute numbers and percentages), 2007-2011

Year	Received a birth grant		Received a maternity allowance		
	Absolute numbers	% change from previous year	Total	% change from previous year	Percentage of all women who received a birth grant
2007	147,245	2.5	88,285	5.0	58.4
2008	152,319	3.5	93,630	5.1	61.5
2009	157,702	3.5	97,715	4.4	62.0
2010	166,694	5.7	103,318	5.7	62.0
2011	163,402	-1.8	105,740	2.3	64.7

to 2010 (in which this percentage was about 62%) and it is explained inter alia by an increase in the rate of employment between those two years. It should be noted that at the same time the number of women who received a maternity allowance fell by about 1.8% compared to 2010. The average age of recipients of the maternity allowance rose slightly in comparison with 2010 – 31.5 years of age. Approximately 95% of the women who received a maternity allowance were salaried employees, while the remainder – 5% – were self-employed, or members of a kibbutz or a cooperative settlement (*moshav*).

The distribution by the daily rate of the maternity allowance indicates that, in 2011, less than one third of the women received a maternity allowance at a daily rate that was no more than half of the average national wage, while approximately one quarter received a daily maternity allowance that exceeded the average wage. The percentage of women who receive a maternity allowance at a rate exceeding the average wage has been steadily rising, from 20% in 2007 to 24.5% in 2011. Concurrently, the percentage of women who are earning up to half of the average wage has been diminishing, from approximately 36% in 2007 to 32% in 2011.

Since the maternity allowance is paid at the rate of the woman's pay prior to giving birth, distribution by the amount of the maternity allowance represents the distribution of wages among these women. In 2011, the average earnings from work of women giving

Table 3
Recipients of a Maternity Allowance, by Per-Day Rate of the Maternity Allowance as a Percentage of the Average Daily Wage
(absolute numbers and percentages), 2007-2011

Year	Total recipients (numbers)	Up to ¼ of the average wage	¼ - ½ of the average wage	½ - ¾ of the average wage	¾ to the full average wage	Higher than the average wage
2007	88,285	8.5	27.3	28.4	15.9	20.0
2008	93,630	7.5	25.5	27.4	16.8	22.8
2009	97,715	7.1	23.8	27.3	19.2	24.6
2010	103,318	7.7	24.7	26.6	16.9	24.1
2011	105,740	7.4	24.8	26.4	16.9	24.5

birth was NIS 6,991 per month, which represents approximately 82% of the average wage in the economy, compared with NIS 6,702, representing approximately 81% of the average wage in 2010.

The amount of the maternity allowance, like wages, varies according to demographic and employment characteristics:

- The maternity allowance increases with the woman's age. In 2011 the average maternity allowance was NIS 226 per day, which is about 80% of the average wage. Women up to the age of 24 received maternity allowance at the rate of approximately 45% of the average national daily wage, while among women who were at least 35 years old, the rate rose above the average daily wage (105% of the average daily wage).
- The maternity allowance paid in places in the center of the country was higher than that paid in outlying regions of Israel. The NII's Tel Aviv and Kfar Saba branches recorded the highest average rate per day for the maternity allowance (114% of the average national daily wage), while the NII's Bnei-Brak and Nazareth branches recorded the lowest average daily rate (approximately 60% of the average daily wage).
- In 2011, the number of men who received a maternity allowance rose sharply to 536 men, compared with 369 in 2010, an increase of 45%. For every 1,000 women who received a maternity allowance, about five men received a maternity allowance. This increase continues the trend of previous years: in 2007, 246 men received maternity allowance, in 2008 – 281 and in 2009 – 285.

C. Volume of payments

Table 4 presents the volume of benefits paid by the Maternity insurance branch under the National Insurance Law, by benefit category. The data show that, in 2011, there was a 3.2% increase in the volume of benefit payments by the branch (at fixed prices). Payments of hospitalization grants and maternity allowances constitute approximately 93% of all payments by the branch. The rise in the total volume of payments was primarily due to an increase in the number of births.

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Table 4
Payments of Maternity Benefits, at 2011 Prices
(NIS thousand), 2007-2011

Year	Total benefit payments	Hospitalization	Birth grant	Maternity allowance	Risk pregnancy
2007	3,809,904	1,727,462	157,475	1,813,115	97,479
2008	4,225,037	1,709,521	165,474	2,214,290	124,438
2009	4,565,787	1,894,540	174,271	2,333,999	146,033
2010	4,880,199	2,102,763	182,325	2,423,582	154,734
2011	5,036,540	2,150,201	180,234	2,527,285	159,758

giving birth. It should be noted that for the first time since 2006, the rate of payments in the Maternity branch is falling with respect to the previous year.

Risk Pregnancy Benefit: A Convenience or a Solution for At-Risk Pregnancies?

The risk pregnancy benefit has been paid since 1991 to insured women, both salaried or self-employed who, for medical reasons related to their pregnancy, must stop working for at least 30 days and are not paid for those days by their employer or by any other entity.

The number of recipients of this benefit has grown steadily every year, as has the scope of the payments: from some 2,000 recipients in 1995 to 10,300 in 2011, and from payments totaling NIS 11 million to NIS 155 million, respectively, in fixed prices.

Given this data the question has arisen whether the risk pregnancy benefit is meant to make it more convenient for women to stop working because of their pregnancy or rather to provide a solution to situations of complications or high risk? To answer this question, women who received risk pregnancy benefits were compared to those who did not, with regard to three aspects: was the baby premature, was the baby hospitalized after birth and was the pregnancy a single or a multiple-fetus pregnancy.

The following table shows that 22% of those who received the risk pregnancy benefit either gave birth to two or more children or their baby needed special treatment after the birth, compared to only 4% of the women who did not receive the benefit.

It was also found that among women who received the benefit, 3.4% gave birth to a premature baby compared to only 1% of the women who did not receive the benefit; 5% of the babies were hospitalized after the birth compared to 1.9% of those who did not receive the benefit, and 13% gave birth to two or more children compared to 1.4% of the women who did not receive the benefit.

In light of these findings, one can conclude that there is justification and great importance to the risk pregnancy benefit.

Comparison Between Women Who Received the Risk Pregnancy Benefit and Those Who Did Not

	Received benefit		Did not received benefit	
	Numbers	Percentages	Numbers	percentages
Total	9,622	100.0	93,657	100.0
Thereof: had one or more premature babies	327	3.4	899	1.0
Thereof: had a baby that was hospitalized	496	5.2	1,814	1.9
Thereof: had two or more babies	1,264	13.1	1,314	1.4