

6. General Disability Insurance

A. Benefits

The General Disability insurance branch pays the following benefits under the National Insurance Law:

- **Disability pension**, aimed at compensating disabled persons for their loss of earning capacity and to guarantee them a minimum subsistence income. Paid since 1974.
- **Attendance allowance**, which reimburses the expenses of disabled persons who are dependent on the assistance of others for the performance of daily activities or who need constant supervision. Paid since 1979.
- **Benefit for disabled child** – reimbursement for expenses incurred by families who are caring for their disabled child at home. Paid since 1981.

The branch also handles the following benefits that are not derived from the National Insurance Law:

- **Mobility allowance**, which is paid to those whose mobility¹ is restricted, to subsidize their mobility expenses out of the house. Paid since 1975.
- **Compensation to radiation-affected persons**, which is paid to those who receive radiation to treat scalp ringworm (tinea capitis) between 1946 and 1960, and fell ill as a result. Paid since 1995.
- **Compensation to polio victims**, which is paid to those who contracted polio in Israel and suffered a medical disability as a result. Paid since 2007.

At the end of 2011, the number of disabled adults receiving a benefit (one or more) from the NII's General Disability insurance branch reached over 238,000, an increase of 2.55% over the parallel month in 2010. As one can see from Table 1, recipients of a general disability pension constitute some 90% of all those eligible for benefits from the branch, and during the past year their average monthly number reached 212,951,

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Table 1
Recipients of General Disability Benefits, Attendance Benefit, Benefit for Disabled Child and Mobility Allowance (average per month) 2006-2011

Year	Disability		Attendance		Disabled child		Mobility	
	Number of recipients	Percent change	Number of recipients	Percent change	Number of recipients	Percent change	Number of recipients	Percent change
2006	178,263		25,648		22,208		26,078	
2007	187,525	5.2%	27,424	6.9%	23,810	7.2%	27,306	4.7%
2008	194,988	4.0%	29,390	7.2%	25,255	6.1%	28,915	5.9%
2009	200,072	2.6%	31,196	6.1%	26,527	5.0%	30,364	5.0%
2010	207,174	3.5%	33,134	6.2%	27,870	5.1%	31,616	4.1%
2011	212,951	2.8%	35,219	6.3%	29,483	5.8%	32,964	4.3%

1 A disabled person who has a leg impairment, as specified in the law.

Table 2
Adult Benefit Recipients, by Benefit Category, December 2011

Number of Benefits	Benefit category	Number of recipients	Percentage change over 2010
Total	Adult recipients	238,465	2.6%
	General disability pension	214,749	2.1%
	Attendance	36,098	6.1%
	Mobility allowance	29,364	4.5%
	Polio victims	3,749	2.3%
	Radiation	3,997	3.7%
One benefit	General disability pension only	178,733	1.8%
	Attendance only	6,591	8.5%
	Mobility allowance only	10,164	4.1%
	Polio only	943	8.9%
	Radiation only	3,165	6.4%
Two benefits	General disability + attendance	19,018	4.6%
	General disability + mobility	7,165	2.0%
	General disability + polio	317	-3.9%
	General disability + radiation	511	-9.7%
	Attendance + mobility	1,717	13.0%
	Attendance + polio	16	6.7%
	Attendance + radiation	98	24.1%
	Mobility + polio	1,151	1.1%
	Mobility + radiation	46	2.2%
	Polio + radiation	1	.
Three benefits	General disability + attendance + mobility	7,775	6.8%
	General disability + attendance + polio	66	4.8%
	General disability + attendance + radiation	80	-16.7%
	General disability + mobility + polio	581	-3.5%
	General disability + mobility + radiation	26	8.3%
	General disability + radiation + polio	.	.
	Attendance + mobility + polio	231	14.4%
	Attendance + mobility + radiation	28	64.7%
	Attendance + polio + radiation	1	.
	Mobility + polio + radiation	3	.
Four benefits	General disability + attendance + mobility + polio	439	-0.9%
	General disability + attendance + mobility + ringworm	38	-17.4%
	General disability + attendance + polio + radiation	.	.
	General disability + mobility + polio + radiation	.	-100.0%
	Attendance + mobility + polio + radiation	.	.
Five benefits	General disability + attendance + mobility + polio + radiation	.	-100.0%

Table 3
Benefit Recipients Who Are Minors, by Benefit Category,
December 2011

Number of benefits	Type of benefit	Number of recipients	Percentage change over 2010
Total	Disabled minors	30,679	8.4%
One benefit	Disabled child	26,387	9.5%
	Mobility	283	0.7%
Two benefits	Disabled child and mobility	4,009	2.3%

representing an estimated 4.6% of the population that is of the age of potential eligibility (18 through retirement age). One can also discern a lower rate of increase in the number of those receiving a benefit compared to 2010. This is apparently because the potential for new recipients becoming eligible under the provisions of Amendment 109 to the law (the “Laron Law”) has maxed out.

Among those receiving attendance allowances, the average annual change was stable compared to the two previous years: some 35,000. Among those receiving the benefit for disabled child one can discern an uptrend in the rate of change of recipients compared to the previous two years, following the Or-Noy amendments, which included new grounds for eligibility for the benefit. The rate of change in the number of those receiving mobility allowances is slightly higher than what was observed in 2010, but is still lower than in previous years, even though the criteria have not changed.

Since November 1999, a disabled person who meets all the criteria and conditions of the laws and regulations can receive more than one benefit at the same time. From Tables 2 and 3, it emerges that in December 2011, 38,869 disabled adults and 4,009 disabled minors (who together constitute 16% of the number of recipients in the branch) received two or more benefits simultaneously in 2011. This was particularly obvious with regard to the following benefits: the attendance allowance, 82% of whose recipients were eligible for other benefits (usually a disability pension), and the polio victims’ benefit, 75% of whose recipients also got another benefit (usually a mobility allowance).

B. Disability pension

1. Main points of the law

The general disability pension is a monthly pension paid to someone who is a resident of Israel, between the ages of 18 and retirement age, whose ability to earn a living from work² has been affected by his disability. This benefit assures those eligible a minimal subsistence income.

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 2 Income from sources other than work are not considered when determining eligibility for a disability pension.

The law defines two types of eligible persons:

- **Disabled wage-earners:** Men or women who, as a result of a physical, cognitive or mental impairment deriving from an illness, accident or congenital defect, have lost their ability to earn a living from work or their ability to earn a living has been reduced by at least 50%; or their earnings do not exceed 45% or 60% of the average wage (depending upon what group they belong to, as will be explained below), as defined in the National Insurance Law.³
- **Disabled housewives:** Married women who have not worked outside the household for the periods defined in the law, and who, as a result of a physical, cognitive or mental impairment deriving from an illness, accident or congenital defect, have lost at least 50% of their capacity to perform routine household tasks.

The process of determining eligibility for a disability pension has several stages:

1. Establishing the degree of medical disability (expressed as a percentage) – An NII-appointed physician, based on medical examinations and records, determines the medical disability percentage in accordance with the criteria set by the law. The disability percentage expresses the seriousness of a person's medical conditions. Both the doctor and claims clerk check whether the threshold requirements for a disability percentage have been met: For a disabled wage-earner – at least 60%, or 40% in instances whereby the medical disability percentage for one impairment is at least 25%; and for a disabled housewife – at least 50%.
2. Examination of the recipient's income from work at the time he enters the program – The level of income from work that allows for a benefit payment is not consistent, but rather varies in accordance with the person's medical condition and period of eligibility. Group A: People with a serious impairment⁴ or a lengthy eligibility period⁵ are entitled to a benefit if their income from work is no more than 60% of the average wage. Group B: Everyone else. They can receive a disability pension when their income from work doesn't exceed 45% of the average income.
3. Setting the degree of incapacity – The NII claims clerk, after consulting with the NII physician and rehabilitation clerk, sets the disabled person's degree of inability to earn a wage⁶, which is influenced by his ability to return to work (on a full- or part-time basis), or to find other work suited to his education, physical abilities and state of health.
4. Setting a degree of full or partial earning incapacity expresses the partial or total loss of the disabled person's ability to earn a living, while setting a degree of permanent or temporary earning incapacity indicates either a permanent or temporary loss of the ability to earn a living.

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 3 In 2011 the average wage under the National Insurance Law was NIS 8,307.

4 Serious impairment: those whose medical disability has been set at 70% or more, or who suffers from retardation or mental disability at a rate of at least 40%.

5 Lengthy eligibility: those who were eligible for a benefit for at least 60 months out of the seven years that preceded August 1, 2009.

6 Those with a loss of wage-earning capacity under 50% are not eligible for a pension.

In August 2009, Amendment 109 to the National Insurance Law (the “Laron Law”) came into effect, whose objective was to improve the conditions of disability pension recipients who found work, out of a desire to improve their quality of life, integrate them into society and improve their public image. The amendment allows the disabled person to increase his income from work without losing his eligibility for the pension and assures that his combined income from work and the pension will **always** be higher than the amount of the pension alone.⁷

Moreover, in accordance with the recommendations of the Laron Commission, the disabled were divided into two categories⁸, Group A and Group B (See Section 2 above). This differentiates between disabled persons possessing high potential for integration in the labor market and those whose prospects for finding employment are lower, while creating different criteria for assessing income from work to encourage the integration into the work force. As part of the amendment a new benefit was added to the disability insurance array: the incentive allowance. This benefit is paid instead of a disability pension to those whose income from work now exceeds the amount determined by law and who had been eligible for a disability pension for at least 12 months.

A disabled wage-earner or housewife who is assigned a full incapacity ranking (a rate of at least 75%) is eligible for a monthly pension of 26.75% as defined by law.⁹ In 2011 the sum of a full pension for an individual was NIS 2,210. Recipients who are deemed full incapacitated, who are not in an institution and whose medical disability is at least 50%, receive an increment to the monthly pension (hereafter: the additional monthly pension), which ranges between NIS 237 to NIS 351, as of 2011. About 65% of disability pension recipients qualify for this increment.

Similarly, a disabled person is eligible for an increment for his **dependents**: (a) A spouse who is an Israeli resident (married to the disabled person or his/her common-law spouse), whose monthly income does not exceed 57% of the average wage. The disabled person is eligible for an increment of 50% of the individual pension being paid to him. (b) A child who is an Israeli resident as defined by the NII entitles the disabled person to an increment of 40% of the individual pension being paid to him. This increment is paid only for the first two children. A disabled housewife is eligible for an increment for her first two children only, and is not eligible for an increment for her spouse.

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7 Until the amendment went into effect, the disability pension was usually stopped when the insured’s income from work exceeded 37.5% or 45% of the average wage, depending on his education level. Now, if a person’s income from work does not exceed 21% of the average wage his disability pension does not change. For income between 21%-25% of the average wage, the pension is cut by 10%; for earnings between 25%-65% of the average wage, the pension is reduced by 30%; for income between 68%-93% of the average wage, by 40% and for earnings higher than 93% of the average wage, by 60%.

8 Housewives are not assigned to a group since they are not active in the job market.

9 By law, the disability pension is updated, like all benefits, every January in accordance with the annual change in the CPI as of the previous November.

A disabled wage-earner or housewife who receives a dependents increment but who has income that is not from work will have an amount equal to his or her non-work income deducted from the dependents increment (alone).

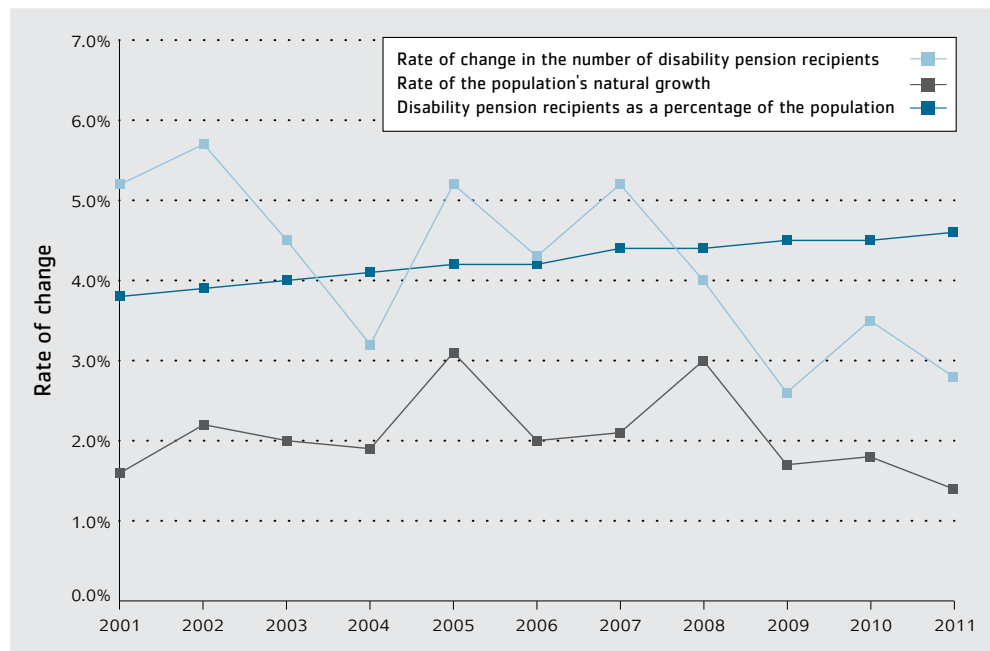
The dependents increment is an important tool in fighting poverty among families with a disabled breadwinner. It should be noted that in addition to the benefits provided by the NII, disabled people are entitled to benefits from other public organizations under conditions that vary from one organization to another.¹⁰

2. Recipients of a disability pension

The number of people receiving a disability pension goes up every year by the nominal rate of 4.2%, over twice the rate of the population's natural growth (1.9%)

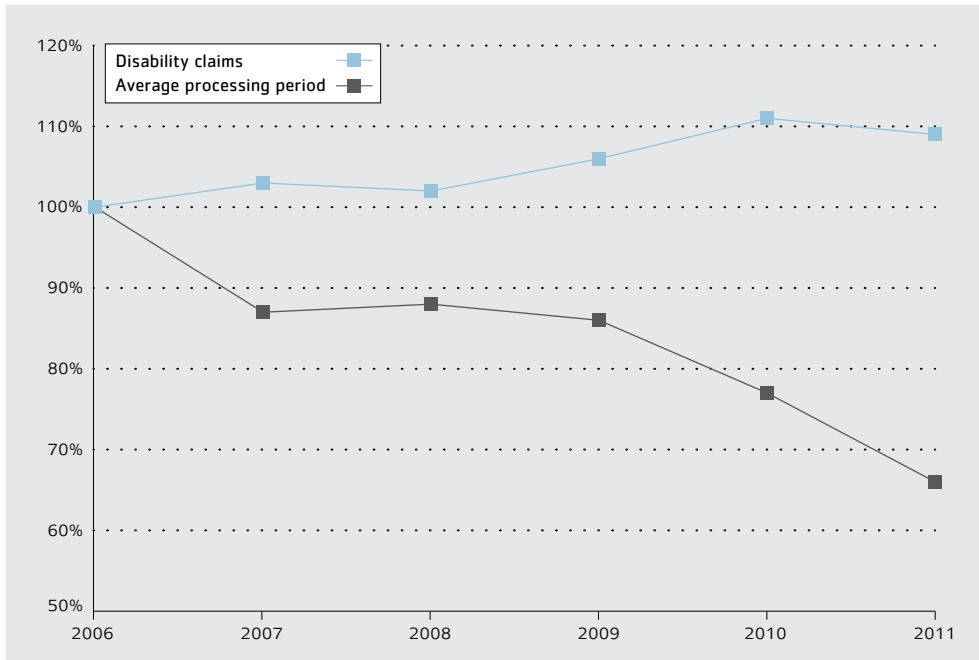
The number of people receiving a disability pension from the NII goes up every year by the nominal rate of 4.2%, over twice the rate of the population's natural growth (1.9%). At the end of the year the number of recipients totaled 214,749, i.e., some 4.6% of the population in the qualifying age group (an increase of 2% over 2010).

Graph 1
Disability Pension Recipients and the Development of the Working-Age Population, 2001-2011



10 These benefits include, inter alia, an exemption from making insurance contributions to the NII; income tax or property purchase tax exemptions from the Finance Ministry; discounts on local property taxes (armona), rent subsidies or home purchasing assistance from the Construction and Housing Ministry; discounts on fees paid to the Israel Lands Administration; discounts on public transportation, benefits from the Welfare and Social Affairs Ministry and reduced fees to the sick funds. More details can be found on the NII's website and on the websites of the ministries/ organizations granting the benefits.

Graph 2
The Number of Disability Claims and the Average Length of Time to Process a File (percentages) 2006–2011



This growth has several reasons: (a) The morbidity rates in the population go up each year, because of greater awareness, increased reporting and a drop in the mortality rates among the ill, among other things. (b) The gradual increase in the retirement age, which started in 2002 and continued in 2010, increased the population that could potentially qualify for this benefit. With that, one can see in Graph 1 that the gaps have been closing in the past few years.

By looking at Graph 2, one can discern an uptrend in the number of disability claims (which moderated somewhat during the past year), with slightly less than 93,000 claims submitted in the past year. It should be noted that as part of the effort to improve service, the NII is aiming to reduce the time between when a claim is filed until a decision is made. Graph 2 shows that this goal is being met: The amount of time it takes to process an average file has dropped by 40% compared to 2006 and by nearly 10 days (which is 17%) compared to 2010, and now stands at 54 days.

An examination of the distribution of pension recipients in December 2011 by gender and the degree of incapacity set for them, as shown in Table 4, points to a significant gap in the degrees of incapacity set for the wage-earning disabled and those who are housewives. Eighty-four percent of those who had been working were declared fully incapacitated and thus received a full disability pension, while only 38% of housewives were awarded a full pension. The differences apparently stem from the differing eligibility requirements for the two groups.

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Table 4
Disability Pension Recipients by Gender and Degree of Incapacity
(absolute numbers and percentages), December 2011

Gender	Total		Degree of Incapacity			
	Absolute numbers	Percentages	60%	65%	74%	75% -100%
Total	214,749	100%	24,410	13,255	3,950	173,134
Men	124,490	100%	10.0%	4.2%	1.2%	84.7%
Women	90,259	100%	13.3%	8.9%	2.7%	75.0%
thereof:						
Working women	73,829	100%	10.1%	5.0%	1.5%	83.3%
Housewives	16,430	100%	27.7%	26.5%	8.2%	37.7%

Table 5 presents the disability pension recipients by age¹¹, average age and primary impairment.¹² Of those receiving the pension, the number of those whose primary impairment is a mental problem continues to be the highest. There are also differences in the characteristics of the primary impairment among the different age groups; those entering the disability pension system at an early age generally suffer from a congenital defect (retardation¹³, mental disorder¹⁴, deafness and neurological disorders¹⁵), while those joining at more advanced ages tend to suffer from age-related disorders (internal¹⁶ or urogenital¹⁷). The family status of the pension recipients and their dependents as defined by law are presented in Table 6. One can see that 48% of pension recipients are married¹⁸, but 41% do not receive an increment for their families, because of the high (non-work) income of the disabled person or the income of his/her spouse (from work or not from work). One can see that the percentage of married, employed women is low, because a married woman who did not work before the submission of her claim for the length of time prescribed by law is considered a housewife.

The Laron Commission was established primarily to focus on the integration of recipients of a general disability pension in the labor market, with the intention of improving the quality of their lives, integrating them in society and improving their public

11 It should be noted that using the age variable does not allow for a distinction between disabled people who entered the system at an advanced age and those who began receiving a pension at a younger age and are still receiving it. For a more detailed explanation see the publication Disability Pension Recipients in 2011, to be published shortly as part of the series of periodic surveys.

12 Primary impairment is defined as the impairment which confers the highest degree of medical disability among the various impairments one may have. One can notice that cancer is not included in the list of clauses, because medical disability percentages for the NII are not determined by illness but by how well a person's limbs function.

13 Including those with Down syndrome.

14 Including those with autism

15 Including: Brain syndromes, nerve disorders and convulsive disorders

16 Including: Blood, heart, liver and lung diseases, diabetes, asthma and most cancers

17 Including: Kidney problems, urinary and reproductive tract problems and bladder problems (common among people with prostate cancer).

18 Disabled persons with a common-law spouse are not considered married.

Table 5
Disability Pension Recipients by Current Age, Average Age and Primary Impairment
(absolute numbers and percentages), December 2011

Primary impairment		Total		Age					Average age
				18-24	25-35	35-44	45-54	55-pension age	
Total		214,749		15,073	30,650	38,707	52,795	77,524	47.3
		100%		100%	100%	100%	100%	100%	
Mental	Psychotic disorders	43,376	20.2%	20.5%	28.8%	28.6%	20.8%	12.1%	43.6
	Psychoneurotic impairments	26,803	12.5%	13.5%	14.5%	14.6%	14.4%	9.1%	45.2
Mental retardation		22,447	10.5%	25.9%	20.5%	14.1%	7.5%	3.6%	38.1
Internal		51,327	23.9%	8.5%	8.8%	13.7%	23.5%	38.2%	53.9
Urogenital		7,138	3.3%	1.4%	1.5%	2.4%	3.7%	4.6%	52.1
Neurological		27,664	12.9%	15.5%	13.3%	12.3%	11.6%	13.3%	47.1
Locomotor		17,648	8.2%	4.7%	4.8%	7.0%	9.5%	10.0%	50.4
Sensory	Sight	10,845	5.1%	5.0%	4.6%	4.7%	4.9%	5.5%	48.1
	Hearing	4,892	2.3%	4.7%	2.7%	2.0%	1.9%	2.1%	44.6
Other		2,609	1.2%	0.3%	0.4%	0.6%	2.1%	1.4%	52.0

Table 6
Disability Pension Recipients by Family Status and Number of Dependents
(absolute numbers and percentages), December 2011

Family status		Total		Dependents					
				Individual	Child	2 children	Spouse	Spouse + child	Spouse + 2 children
Total		214,749		141,967	16,079	18,357	16,621	6,790	14,935
		100%		66.1%	7.5%	8.5%	7.7%	3.2%	7.0%
Married	Total	102,943	47.9%	42,556	9,247	13,212	16,492	6,688	14,748
	Men	62,797	29.2%	21,105	3,293	4,277	14,708	5,887	13,527
	Employed wives	23,716	11.0%	12,168	3,434	4,308	1,784	801	1,221
	Housewives	16,430	7.7%	9,283	2,520	4,627	.	.	.
Unmarried	Total	111,806	52.1%	99,411	6,832	5,145	129	102	187
	Men	61,693	28.7%	56,368	2,691	2,258	109	92	175
	Employed women	50,113	23.3%	43,043	4,141	2,887	20	10	12

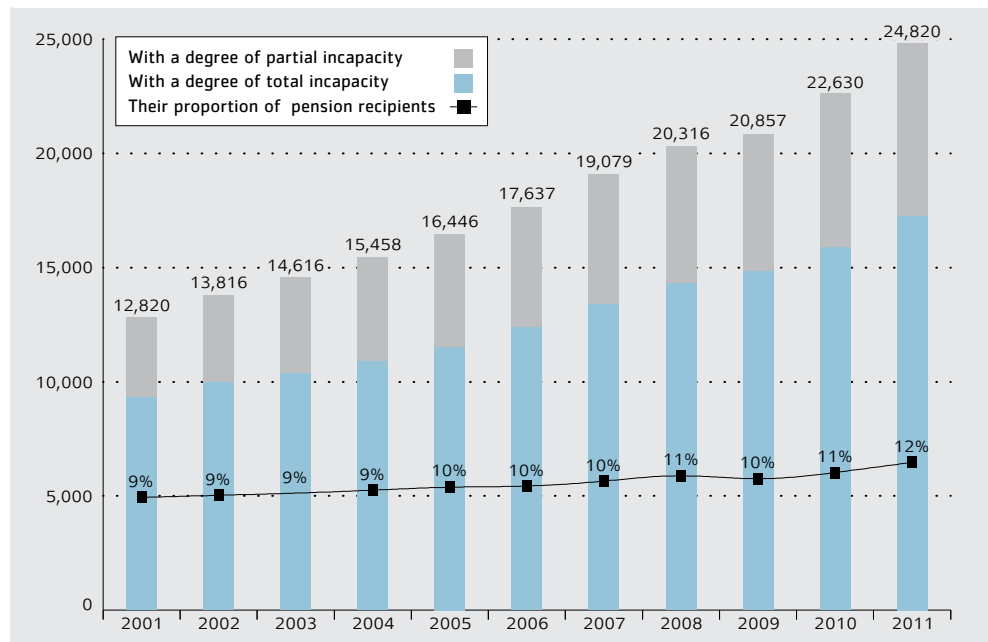
image. The Organization for Economic Cooperation and Development (OECD), which Israel joined recently, stresses in its policy statement the need to encourage recipients of disability pension to integrate in the labor market and overcome the employment barrier. This determination is based on the argument that a large percentage of pension recipients have at least a partial capacity to work that is not utilized for several reasons:

(a) their disabilities put them at a disadvantage in the competitive job market; (b) Many workplaces are not accessible or suited to the disabled; (c) Aside from the pension, pension recipients are entitled to various benefits from other public bodies that can be worth a considerable amount of money. The concern of losing these benefits prevents some disabled people from seeking work.

Graph 3 shows the number of pension recipients who are employed and their percentage among all pension recipients. The low rate of workforce participation by the disabled is one of the significant problems faced by Israeli policymakers. It is still too early to draw conclusions regarding the effect of the Laron Commission on the rate of labor market participation, primarily due to the qualifying period required by the law. However, the above graph illustrates the problem that policy-makers have been contending with in Israel. During the last decade, an average of only 10% of all disability pension recipients have been actively participating in the labor market, though over the past two years a mild uptrend has been observed, possibly as a result of the legislative amendment. Likewise, one can see that the proportion of pension recipients with a partial disability ranking who are employed is high compared to their share out of all pension recipients. Those who support the current earning capacity test argue that it offers a reasonable prediction of the disabled person's ability to find work. It is certainly possible that the pension level has no small influence on the chances of joining the workforce.

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Graph 3
Disability Pension Recipients Who Are Employed¹⁹, 2001-2011



¹⁹ This data includes information that is reported or that is known to the branch, inter alia, with regard to disabled persons employed in sheltered or supported employment.

Multi-variable Analysis: The Odds of a Disabled Person to Receive a Disability Pension

As part of efforts to compile a profile of the typical disabled person who receives a monthly disability pension from the National Insurance Institute, and with an eye toward assessing the financial stability of the NII given the recent demographic changes in Israel, a multivariate analysis (logistic regression) was conducted, through which we tried to estimate the probability of a person who is not presently receiving a disability pension to begin receiving one in the following year,¹ as well as the relative odds of various population groups to receive a pension.

Methodology

The conditions of entitlement to a disability pension include the disabled person's employment situation, regarding which the NII receives a report about 18 months after the end of the tax year.² That being the case, it was decided to base the regression on the population data of 2009.

The disability pension is aimed to guarantee a minimal level of subsistence for those whose earning capacity has been diminished as a result of their disability. Only Israeli residents of working age, as defined by law (men aged 18–67 and women aged 18–62) may be eligible for a disability pension. Thus, only those who were Israeli residents of working age in 2010 were included in the regression. In the second stage, those who received a disability pension in 2009 were removed from this population, thereby remaining only with those with the potential to become pension recipients in 2010.

The following stage consisted of marking the new recipients of the disability pension in 2010 from among the relevant population, by using a binary variable. Demographic and financial data liable to influence the chances of receiving a pension were collected. Finally, given the large size of the group, a random sample of 10% of the relevant population was taken.³ In the final analysis, the regression was based on a sample of 408,376 persons, of whom 1,945 joined the ranks of disability pension recipients in 2010.

The following variables were used in the regression:

- Gender – a dummy variable that received a value of 1 for men and 0 for women.
- Age – a discontinuous variable that received a different value for each age.
- Nationality – a dummy variable that received a value of 1 for Arabs and 0 for Jews and all others.

1 It's important to emphasize that the regression does not examine the probability of a person becoming disabled, but rather the probability of his beginning to receive a disability pension (to which medical condition is only one of the criteria of entitlement).

2 The employment and income data are produced by the Israel Tax Authority and are based on reported incomes for all workers, both salaried and self-employed.

3 The data on the population were arranged according to gender and age (from younger to older) so that every tenth person was actually included in the sampling.

- Haredi⁴ (ultra-Orthodox) – a dummy variable that received a value of 1 for Haredi and 0 for all others.
- New immigrant – a dummy variable that received a value of 1 for a resident who immigrated to Israel in 1990 or later and 0 for all others.
- Monthly salary – a continuous variable that includes a person's total average monthly income from work in 2009, as reported to the Israel Tax Authority.
- Economic field – a dummy variable that receives a different value for each field as defined by the Central Bureau of Statistics.⁵

The Results of the Theoretical Statistics

- In 2010, some 20,000 people began receiving disability pension, out of more than four million people of working age – i.e., 0.5% of the relevant population.
- The proportion of men who started getting a pension in 2010 was 11% greater than their proportion of the potential population, and the proportion of Arabs who started to get a pension was 8% of their relative size in the relevant population. These findings correspond to nationwide morbidity data.
- As expected, the proportion of new recipients rises with age: the proportion of those new recipients who are age 20 is 50% lower than their proportion of the population, while the proportion of those aged 60 is 260% higher than their relative weight in the population. These findings correspond to both national and worldwide morbidity data.
- The proportion of employed people who started to receive a pension was 17.1% lower than their proportion in the population. This is because income from work is one of the criteria of entitlement to a disability pension.
- The proportion of new immigrants who started to receive pensions was 15.5% higher than their proportion in the population. This can be explained, inter alia, by their relatively high ages and the difficulty they have entering the workforce.

The Results of the Regression⁶

Aside from the independent variables for every category, the model included interactive variables. Following are the main results of the odds-ratio obtained for the different values that each of the variables received.

- Except for those aged 18-19 – a group that includes numerous teenagers who stop receiving benefit for disabled child and begin receiving disability pension – the

4 The definition of a Haredi that was used appears in the study “The influence of the level of child allowances on fertility rates,” the Research and Planning Administration, National Insurance Institute, Appendix 1 pages 55-58, October 2010.

5 A person who worked in more than one place was associated with that in which he received the higher salary.

6 The results of the regression verify the conclusions reached from the theoretical statistics analysis.

odds of being among those who begin receive a disability pension rise with age. If age is related to as a continuous variable, its influence increases with age at an increasing pace (that is, a concave curve). If, on the other hand, age is related to as a dummy variable, then until age 44 the marginal addition to the odds is negative, while from age 45, the marginal addition is positive, so that just before retirement age the relative chances of receiving a disability pension are 250% than those of a young person.

- The chances of a man starting to get a disability pension are 33% higher than those of a woman, when all other variables are identical.
- The chances of an Arab man starting to get a disability pension are 17% higher than those of a Jewish man and 47% higher than those of an Arab woman, due to the high morbidity rate among Arab Israelis, as reported in various Health Ministry publications. It's possible that the low odds of Arab women joining the ranks of the disabled stems from the fact that they are mainly housewives.
- Among the Haredi community, the relative odds of a woman receiving a disability pension are 23% higher than those of a man.
- The chances of a woman who immigrated to Israel after January 1990 becoming a disability pension recipient are 29% higher than those of a woman who was born in Israel or moved to the country earlier, and 30% higher than those of a man who immigrated to Israel during that period.
- The chances of a person who earns a salary equal to the average wage of becoming a disability pension recipient is 64% lower than those of a person who is not working and 46% lower than those of a person who earns the minimum wage. This highlights the fact that the disability pension has become a replacement for wages among the poorer populations in Israel, particularly when one takes into account the value of the various other benefits to which disability pension recipients are entitled.
- Unemployed persons and persons employed in agriculture or manufacturing have a higher marginal probability of getting a disability pension than those employed in banking and in public service.⁷ It seems that the physical effort invested in one's work influences the odds of joining the ranks of disability pension recipients.

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7 It's important to note that this is not a statistically significant result.

C. The attendance allowance

1. Main points of the law

An attendance allowance is paid to eligible insureds who live in Israel and who need the assistance of another person to perform daily activities (dressing, eating, bathing, mobility

and the like), or who need constant supervision to prevent a danger to themselves or to others.²⁰

Also eligible for this allowance are those who require dialysis (at least twice a week), those who are undergoing cancer treatments and require the assistance of another (at least 12 days a month), and anyone who has undergone an organ transplant (kidney, heart, pancreas, lung, liver) or a bone marrow transplant. Blind people who have been given at least a 90% medical disability rating and who live alone or with a blind spouse, or who are blind and also have at least a 50% hearing impairment, are also entitled to an allowance.

The following conditions²¹ must be present to qualify for this allowance, so long as the applicant has not reached retirement age before submitting the claim:

- Disability pension recipients are entitled to an attendance allowance if their medical disability degree is 60% or more (in the impairment clauses recognized for the attendance allowance), on the condition they are not receiving any special benefits for work injuries or a payment for personal care or household help under another law.
- An insured who has been determined to have a medical disability degree that is least 75% but is not receiving a disability pension is entitled to a special attendance allowance, on the condition that he is not receiving any special benefits for work injuries or a payment for personal care or household help under another law, and his income from employment is not higher than 5 times the average wage (NIS 41,535 in 2011).
- Someone receiving benefits under the Mobility Agreement is eligible for an attendance allowance if a medical committee determined that he has a mobility limitation degree of 100% or he needs and uses a wheelchair or is confined to bed.

Someone who is hospitalized in an institution in which he is receiving medical service, long-term care or rehabilitation is not entitled to an attendance allowance.

New immigrants (who hold an immigration certificate) who are in the country less than a year are entitled to an immigrant attendance allowance. Similarly, a disabled person who was eligible for an attendance allowance before reaching retirement age is entitled, upon reaching retirement age, to choose between continuing to receive the attendance allowance or receiving a long-term care benefit, generally whichever is higher.

There are three levels of attendance allowance, which are determined by how dependent the disabled person is on another's assistance. The level of the allowance is set as a proportion of the full disability pension for an individual (which is 25% of the average wage).

In addition, those eligible for the allowance are also eligible for a special increment if they: (a) need a great deal of assistance with most daily tasks most hours of the day. Such

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20 Similar to the eligibility criteria under the Long-Term Care Insurance Law, Section 223 of the National Insurance Law, (Consolidated Version) 5755-1995

21 National Insurance Regulations (Disability Insurance) (Providing Attendance Allowance) 5739-1978.

people will receive a basic attendance allowance of 50% of a full disability pension, NIS 1,033, and an increment of NIS 289. (b) need a great deal of assistance with all daily tasks during most hours of the day. Such insureds will receive a basic attendance allowance at a rate of 105% -- NIS 2,168 -- and an increment of NIS 589. (c) are totally dependent on the assistance of another for all daily tasks during all hours of the day or night. Such insureds are entitled to a basic attendance allowance of 175%²² of a full disability pension -- NIS 3,614 -- and to an increment of NIS 878. All amounts are correct for 2011.

2. Recipients of attendance allowance

In December 2011, 36,098 people received an attendance allowance -- 6% more than the parallel month in 2010. An examination of Tables 3 and 7 shows that most recipients of the attendance allowance receive more than one benefit from the NII. Some 76% of them also receive a disability pension, while another 20% receive an old-age pension.

The data show that the number of those eligible for an attendance allowance goes up with age (the average age of recipients is 52). One can also note the mild rise in the number of elderly among the allowance recipients who chose to continue to receive the attendance allowance rather than a long-term care benefit -- except in the year 2010 (20% today compared to 19%). One explanation for this could be the ongoing drop in Israel's mortality rates.²³

In December 2011, 36,098 people received an attendance allowance -- 6% more than the parallel month in 2010

Table 7
Attendance Allowance Recipients by Eligibility Category, Gender and Age
(absolute numbers and percentages), December 2011

Eligibility category	Gender	Total		Age					
		Absolute numbers	Percentages	18-24	25-34	35-44	45-54	55-64	65 +
Total	Absolute numbers	36,098		2,946	3,556	4,097	6,240	12,264	6,995
	Percentages		100%	100%	100%	100%	100%	100%	100%
Regular attendance allowance	Total	27,416	76%	100%	98%	95%	93%	79%	23%
	Men	15,292	42%	59%	53%	47%	44%	45%	23%
	Women	12,124	34%	41%	45%	48%	49%	35%	0%
Special attendance allowance	Total	1,503	4%	0%	2%	5%	7%	6%	1%
	Men	871	2%	0%	1%	3%	3%	4%	1%
	Women	632	2%	0%	1%	3%	4%	2%	0%
Attendance allowance for the elderly	Total	7,179	20%	.	.	.	.	15%	76%
	Men	3,059	8%	.	.	.	.	.	44%
	Women	4,120	11%	.	.	.	.	15%	33%

22 These allowance rates are being paid since January 2009. Until then, the allowance rates were 50%, 100%, and 150%, respectively.

23 As per the findings of the study entitled Leading Causes of Death in Israel, published by the Health Ministry, July 2011.

Table 8
Attendance Allowance Recipients by Eligibility Grounds and Level of Eligibility (absolute numbers and percentages), December 2011

Grounds for Eligibility		Total		Level of eligibility		
		Absolute numbers	Percentages	50%	105%	175%
Total	Absolute numbers	36,098		18,607	9,854	7,637
	Percentages		100%	52%	27%	21%
Are dependent on assistance from others		31,287	100%	44%	31%	24%
Require dialysis		2,532	100%	100%	.	.
Active cancer treatment		748	100%	100%	.	.
Visually impaired		1,270	100%	100%	.	.
Visually and hearing impaired		95	100%	100%	.	.
Underwent bone marrow transplant		99	100%	100%	.	.
Underwent organ transplant		67	100%	100%	.	.

As noted, attendance allowance recipients are divided into three levels of entitlement. Table 8 shows the ground for eligibility and the eligibility level of attendance allowance recipients, and reveals that slightly less than 87% of the allowance recipients are dependent on others for assistance with daily tasks (31,287 of 36,098), and another 10% are entitled to the allowance because they had undergone a special medical treatment.²⁴

By law, not all types of impairments are taken into account when determining eligibility for an attendance allowance, and the minimum medical disability degree to qualify is 60%. Table 9 shows the distribution of impairments suffered by those receiving an attendance allowance and the degree of disability assigned to them.²⁵

As can be seen, the impairments of those receiving an attendance allowance are different from those suffered by disability pension recipients (Table 5). Recipients of an attendance allowance generally suffer from neurological or internal problems and only a few suffer from mental impairments or retardation. The medical conditions of attendance allowance recipients are more serious than those of disability pension recipients: some 60% have a medical disability classification of 100%, as opposed to only 17% of those receiving a disability pension.²⁶

24 It should be noted that the attendance allowance recipients who have one of the automatic grounds (those who are blind or are disabled and underwent special medical treatment) and their serious medical condition entitles them to a higher allowance than that set by the regulations are counted among those dependent on others.

25 The medical disability degree shown is taken into account for determining eligibility for an attendance allowance.

26 See Table F/1 in the Appendix.

Table 9
Attendance Allowance Recipients by Primary Impairment and Medical Disability Degree (absolute numbers and percentages), December 2011

Primary impairment	Total		Medical disability degree			
	Absolute numbers	Percentages	60-69	70-79	80-89	90-100
Total	36,098	100%	3,551	5,055	6,161	21,331
Mental	2,682	7.4%	15.3%	23.2%	6.7%	2.6%
Retardation	3,343	9.3%	25.6%	20.7%	8.9%	3.9%
Internal	8,064	22.3%	9.5%	12.5%	18.8%	27.8%
Urogenital	3,033	8.4%	2.2%	1.6%	2.5%	12.7%
Neurological	12,918	35.8%	30.1%	30.3%	46.9%	34.8%
Locomotor	3,049	8.4%	14.8%	9.9%	13.9%	5.5%
Sensory	2,914	8.1%	1.5%	1.3%	1.9%	12.6%
Other	95	0.3%	1.0%	0.3%	0.4%	0.1%

D. Benefit for disabled child

1. Main points of the law

The benefit for disabled child aims to assist families with a disabled child to bear the difficult burden of the child's personal and nursing care, or with any other treatment intended to improve the child's functioning, as well as to encourage families to care for their disabled children within the framework of the home and community.

The process of qualifying for the benefit has two stages: During the first stage, a claims clerk confirms that the family meets the preliminary conditions for eligibility: that the child, as defined by the National Insurance Law, is under 18; that he is the child of an insured (or of an insured who died when he was an Israeli resident²⁷), and that he has not been placed in foster care²⁸ or in an institution (in a dormitory setting in which medical, nursing care or rehabilitation services are provided²⁹). During the second stage, an NII-authorized pediatrician examines the child and determines whether he meets one of the following conditions³⁰:

- That the child is dependent on the assistance of others: A child who is at least three years old and as the result of an illness, syndrome, accident or birth defect is depen-

27 Including stepchildren or adopted children who are under 18.

28 A family caring for a foster child with special needs is entitled to support from the Welfare and Social Services Ministry.

29 Except in special cases, in which the child is in an institution and the parents are covering all the expenses of maintaining him there.

30 Under the National Insurance Regulations (Disabled Child), 5770-2010, Section 1: Definitions.

dent on the assistance of others to carry out daily activities (dressing, eating, bathing, personal hygiene and mobility at home) in a manner that exceeds what could be expected for a child his age.

- The child needs constant supervision: A child at least 90 days old, and who because of a serious medical impairment, chronic illness, serious behavior disorder or mental deficiency cannot be left without supervision to prevent him from endangering himself and/or others.
- A child with a specific deficiency listed in the regulations³¹: who suffers from a developmental disability; needs assistance in communicating; has a hearing impairment; has a visual impairment; has autism or psychosis; or has Down syndrome.
- The child needs special medical treatment: a child at least 90 days old who, because of a chronic illness, needs special medical treatment (as detailed in the law).

In October 2010 the NII began to implement the recommendations of the Or-Noy Committee which had analyzed the eligibility criteria for a benefit for disabled child and proposed changes to them. As a result of the recommendations, children needing special medical treatments became eligible for the benefit. The rate of the benefit for some of the eligibility grounds was also changed, and the maintenance increment and the school assistance increment were unified and set at the rate of 20% of the full disability pension.

Under the Disabled Child Regulations, the amount of the benefit is calculated as a percentage of a full disability pension for an individual for each category of impairment.³² A child who meets more than one eligibility criterion receives only one benefit for the criterion that confers the highest rate.

In 2011 the basic monthly benefit for a child receiving it at a rate of 100% was NIS 2,060. For children who spend most of their time at school or who are treated in an educational framework that deals with functional or developmental problems stemming from their impairments, an additional benefit is paid at the rate of 20% of a full individual pension. Since 2002, children who receive at least 80% of the basic benefit³³ are entitled to another increment equal to 17% of a full individual benefit, which came to NIS 351 a month in 2011. A family with two or more disabled children is eligible for an increased payment of 50% for each of their disabled children (based on the rate of benefit received for each child). A family that has two disabled children, one of whom is not entitled to a benefit because he is in an institution or has turned 18, will still receive the enhanced benefit for the remaining eligible child.

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31 A child found eligible for a benefit in this category can receive the benefit for disabled child from the date of birth.

32 As opposed to the disability pension, in which the level of the benefit is set for each disabled person individually, there is no difference between those receiving the benefit for disabled child on the same grounds. The rates of the benefit appear in the National Insurance Regulations (Disabled Child), 5770-2010, Section 2: Benefit for Special Arrangements.

33 Not including the studies increment.

In 2011 the basic monthly benefit for a child receiving it at a rate of 100% was NIS 2,060. For children who spend most of their time at school or who are treated in an educational framework that deals with functional or developmental problems stemming from their impairments, an additional benefit is paid at the rate of 20% of a full individual pension

When disabled children reach the age of 18 and can potentially qualify for a disability pension or attendance allowance, the NII automatically initiates an application to obtain their rights to these benefits and will pay the benefit for disabled child for an additional three months.

2. Recipients of benefit for disabled child

In December 2011, 30,396 children were receiving a benefit for disabled child – an increase of 8.5% over 2010. This increase is 60% higher than the average rate of annual increase during the previous five years and four times as high as the average annual increase in Israel's child population (which is 2.1%). The main reason for the increase is that it was the first full year during which the Or-Noy amendments were implemented, which eased the eligibility conditions. One also sees that the primary qualifying ages are 6-13, due to the benefit eligibility criteria that evaluate the child in relation to the differences involved in caring for him compared to what is accepted among children his age³⁴, as well as to the minimum age set in the regulations for some of the grounds for eligibility.

Table 11 shows the distribution of benefit recipients by age and eligibility grounds while distinguishing between children who are studying and those who are not. Three-quarters of those receiving the benefit for disabled child are in an educational framework, where an attempt is made to provide them with as normal a way of life as possible. One also sees that most of the children not in an educational framework are children younger than 3 or children who are suffering from impairments that require special medical treatment, presumably due to their illness.

The grounds for eligibility and the recipients' level of benefit in December 2011 are shown in Table 12. From the table it emerges that some 26% of recipients of benefit for

Table 10
Disabled Child Recipients, by Age
(absolute numbers and percentages), 2006-2011

Year	Total	Age				
		Till 3	3-5	6-9	10-13	14-17
2006	22,601	8.5%	18.0%	27.1%	24.5%	21.9%
2007	24,248	8.3%	18.4%	26.9%	24.4%	21.9%
2008	25,418	7.9%	18.1%	27.0%	25.0%	22.1%
2009	26,633	7.5%	17.2%	27.1%	25.6%	22.7%
2010	28,016	7.7%	16.8%	27.0%	25.7%	22.7%
2011	30,396	7.3%	16.5%	26.6%	25.9%	23.7%

34 As a result of the child's natural development, the influence of his impairment is felt primarily when he is a young child and diminishes as he matures.

Table 11
Disabled Child Recipients, by Eligibility Grounds, Educational Situation and Age
(absolute numbers and percentages), December 2011

		Total	Age				
			Up to age 3	3-5	6-9	10-13	14-17
Eligibility grounds		30,396	2,234	5,008	8,089	7,872	7,193
		100%	100%	100%	100%	100%	100%
Studying	Total	74%	51%	73%	74%	71%	86%
	Children with special impairment	37%	47%	43%	37%	31%	38%
	Children who need constant attendance or supervision	8%	2%	8%	8%	8%	8%
	Children who need special medical treatment	7%	2%	5%	7%	8%	9%
	Children dependent on assistance from others	22%	.	18%	23%	24%	30%
Not Studying	Total	26%	49%	27%	26%	29%	14%
	Children with special impairment	11%	16%	9%	14%	13%	6%
	Children who need constant attendance or supervision	2%	6%	3%	2%	1%	1%
	Children who need special medical treatment	9%	27%	13%	8%	7%	4%
	Children dependent on assistance from others	4%	.	2%	3%	7%	4%

Some 26% of recipients of benefit for disabled child are either substantially or totally dependent on the assistance of another, and 9.5% need constant supervision

disabled child are either substantially or totally dependent on the assistance of another, and 9.5% need constant supervision. One can also see the link between eligibility grounds and level of benefit, such that in exceptional cases – as the result of an additional impairment or two disabled children in a family – one can see that the children's rate of benefit is higher than what is set in the regulations.

There are 3,594 children who became eligible for a benefit as a result of a new cause; 45% of them are new beneficiaries while the rest are children who moved within the system from one grounds to another – most of them due to diabetes or to a state of needing constant attendance or supervision.

Taking care of a child with special needs poses difficulties for the parents, and caring for more than one disabled child increases the difficulty many times over. An examination found that there are 2,004 families in which there is more than one child receiving a benefit for disabled child from the NII (a total of 4,318 children). The distribution of common impairments among these children isn't surprising; most are congenital impairments. In 26% of these families the children suffer from hearing problems, another 21% have children with autism, 6% have vision problems and in 31% of these families the children are dependent on the assistance of others or need constant attendance.

Table 12
Benefit for Disabled Child Recipients, by Eligibility Grounds*, and Level of Benefit
(absolute numbers and percentages), December 2006-2011

Grounds for eligibility		Total	Benefit level	
			Less than 100%	100% or more
Total		30,396	25%	75%
Children dependent on the assistance of others	Total	7,947	54%	46%
	Totally dependent on others**	4,678	23%	77%
	Substantially dependent on others	3,269	98%	2%
Children who need constant attendance or supervision		2,893	25%	75%
Children with a special impairment	Total	14,715	11%	89%
	Hearing impairment	3,939	6%	94%
	Autism spectrum	8,075	3%	97%
	Visual impairment	1,156	5%	95%
	Help with communicating	161	93%	7%
	Developmental delay	523	26%	74%
	Down syndrome	861	99%	1%
	Total	4,841	19%	81%
Children who need special medical treatment	Limb impairment	123	.	100%
	Malignancy	617	.	100%
	Bone impairment	126	.	100%
	Three treatments	755	.	100%
	Rare syndrome	404	.	100%
	Respiratory treatment	260	.	100%
	Tube feeding	610	.	100%
	Uncontrollable appetite	61	.	100%
	Urinary tract impairment	398	.	100%
	Constant testing outside the home	587	.	100%
Diabetes	900	100%	.	

* In instances where the child is eligible for a benefit for more than one impairment, the impairment conferring the highest rate of benefit is used. A full presentation of the impairment combinations can be found in the Appendix of Insurance Branch Tables, Table F/3.

** In January 2012 an amendment to the law passed under which children who are totally dependent on the assistance of others will be eligible for a benefit at the rate of 108% (as opposed to 80% previously).

E. Benefit for disabled persons with limited mobility

1. Main points of the law

The mobility allowance provides benefits to disabled persons who have leg impairments that limit their mobility.³⁵ The allowance is financed by the Finance Ministry under an agreement between the ministry and the NII.

35 Subject to the list of impairments that appear in Addition A to the Mobility Agreement.

A disabled person with limited mobility is an Israeli resident³⁶, age 3 to retirement age,³⁷ to whom a Health Ministry medical committee has assigned a mobility limitation degree of at least 40%, for those who have a valid driver's license, or a degree of 60% or more for those who do not have a driver's license.

Limited mobility assistance includes the following benefits:

- A monthly allowance – to subsidize the costs of vehicle use³⁸ (for car owners) and/or mobility (for those without a vehicle)³⁹. A person whose home is more than a 40-kilometer round trip from his workplace is eligible for an increment to the allowance. A full allowance is granted only to those of limited mobility defined as employed.⁴⁰
- A standing loan – given to the buyer of a new vehicle, to fully or partially finance the taxes on it. The loan is returned to the NII when the car is sold (subject to the relevant rules)⁴¹. The amount of the loan is equal to the sum of the taxes that apply to the “regular vehicle” (as defined by law), that was set for the disabled person and not more than the sum of those taxes.
- A loan fund – someone whom a medical committee has determined needs and uses a wheelchair and the Health Ministry's Medical Institute for Road Safety has determined that he needs a specially accessorized vehicle⁴², or he has a limited mobility rating of at least 90%, has a driver's license and is studying/working/undergoing rehabilitation, is eligible for assistance in buying the first vehicle at the rate of 80% of the vehicle's value, without taxes⁴³.
- A loan for buying and installing vehicle accessories⁴⁴ – Whoever needs and uses a wheelchair is eligible for a loan to finance the special accessories he needs to use the vehicle, if the Medical Institute for Road Safety has determined that he needs a specially accessorized vehicle and to help him buy a lift mechanism, if he already owns an appropriate vehicle.

36 In contrast to other benefits, mobility allowance recipients need not be insured by the NII.

37 Retirement age with regard to the mobility allowance is the conditional retirement age set for men, with no distinction between men and women, i.e., 67.

38 Expenses for fuel, car insurance, and special accessories, repairs, service and window protection.

39 The allowance is updated from time to time as the costs of car maintenance increase.

40 An employed person with limited mobility is someone who works and earns at least 25% of the average wage or who has an 80% or more limited mobility rating and/or he is eligible for the installation of special accessories. A person with limited mobility who is not employed receives 50% of a full allowance.

41 A standing loan to replace a vehicle will be given to a disabled person with a driver's license only if 42 months have passed since he received the previous such loan; a person with limited mobility who doesn't have a driver's license will receive it only if 48 months have passed. An owner of a vehicle with special accessories will receive the loan only if 60 months have passed since the last standing loan.

42 A “specially accessorized vehicle” is a vehicle in which one can place a wheelchair or that one can drive while sitting in a wheelchair.

43 These sums turn into a grant after five years.

44 The loan is for 95% of the value of the accessories and the cost of installing them, including the taxes that apply to them. The loan is given solely for new accessories.

- Reimbursement of expenses for buying and installing accessories in a private car – A person of limited mobility who has a valid drivers license for whom the Medical Institute for Road Safety determined that he needs additional accessories to use the car and to travel safely, is entitled to be reimbursed for the costs incurred in installing these accessories.

It should be noted that the benefits given to a person of limited mobility are not stopped when he reaches retirement age, but in instances where he would be entitled to subsidies for mobility expenses under other laws, he loses his eligibility for benefits under the Mobility Agreement.

Under the Mobility Agreement, one is eligible for double benefits in the following instances: (a) If someone receives an attendance allowance at a rate of less than 100% and he has not been rated as having 100% limited mobility or if he does not need and use a wheelchair. (b) For a child who receives a benefit for disabled child but had not been given a limited mobility rating higher than 80%, or that he does not need or use a wheelchair.

Since 1999, recipients of a benefit for disabled child, who are age 3 and over, whose limited mobility rating is at least 80% or whom a medical committee has determined needs a wheelchair and uses one, can also receive a mobility allowance.

A family with two or more children, each of whom has been given at least an 80% limited mobility rating or it has been determined that they cannot walk on their own, and they live in the same apartment, may be eligible for both the benefit for disabled child and the benefits under the Mobility Agreement even if either of the children is less than 3 years old.

2. Recipients of mobility allowances

In December 2011, 33,656 people were entitled to benefits under the Mobility Agreement – an increase of 4.2% over 2010. As was seen from Tables 2 and 3, 69% of the mobility allowance recipients also receive another benefit from the Disability branch, and 1,936 are eligible for a permanent disability pension from the Work Injury branch. One can assume that the rest of those with limited mobility, who are not receiving another disability benefit, earn relatively high wages from their work or had to give up on another benefit in order to receive the mobility allowance.

The limited mobility allowance is aimed at enabling its recipients to carry on a normal life, including integration in the workplace. In addition, those of limited mobility who live more than a 40-kilometer round trip from their workplace are entitled to an increment to compensate them for the additional gasoline expense. Despite this, only 17.5% of mobility allowance recipients work. Of those who work, 17% receive the increment paid for the extra distance between their home and workplace.

In December 2011, 33,656 people were entitled to benefits under the Mobility Agreement – an increase of 4.2% over 2010

Some 81% of those with limited mobility are entitled to a benefit as car owners, and some 37% of them have a small car (with an engine size up to 1300 cc.)

As explained above, the scope of the benefits paid to a person of limited mobility depends on whether or not he owns a car, the size of the car allotted to him (classified by engine size) and his degree of independence (whether he drives himself or not). As can be seen from Table 13, some 81% of those with limited mobility are entitled to a benefit as car owners, and some 37% of them have a small car (with an engine size up to 1300 cc.) Similarly, one can see that slightly more than 72% of those with limited mobility who own a car drive it themselves. Among those who own a van this is not the case: Though they use it, they do not drive it but sit in it in a wheelchair, as a result of their serious medical condition.

Graph 4 below show the ratio of those who own private cars and those who own cars with special accessories among the total number of recipients who receive the allowance as car owners. In recent years the rate of disabled persons who own a private car has dropped, while the proportion of those owning a vehicle with special accessories has increased. The increase is the result of, inter alia, the scope of benefits given to those who own vehicles with special accessories. This phenomenon has a direct influence on the public outlay for Mobility insurance.

Table 14 shows the impairment categories and the ages of those with limited mobility who are receiving the allowance. What stands out is the fact that 27% of recipients are not of working age, half of them children. One also sees that most recipients suffer from paralysis in their lower limbs, and that the younger they are, the higher the percentage of those who are rehabilitated and the lower the proportion of those suffering from other impairments. Among children, most suffer from congenital defects while among adults there is a greater share of those suffering from limitations that developed over time.

By examining the central points of the law it is understood that the degree of dependence experienced by a wheelchair-bound person has a decisive influence on his

Table 13
Recipients of a Mobility Allowance by Car Ownership, Size of Car and Driving Status (absolute numbers and percentages), December 2011

Car Ownership	Engine size	Total		Driver	Non-driver
		Absolute numbers	Percentages		
Total	Absolute numbers	33,656		19,810	13,846
	Percentages		100%	59%	41%
Car owner	1300	10,004	100%	79%	21%
	1800	9,591	100%	89%	11%
	2000	1,530	100%	81%	19%
	2500	343	100%	96%	4%
	Van	5,864	100%	31%	69%
Has no car		6,324	100%	0%	100%

Graph 4

The Proportion of Owners of Private Cars and Specially Accessorized Vehicles
Among the Disabled Who Own Vehicles, 2006-2011

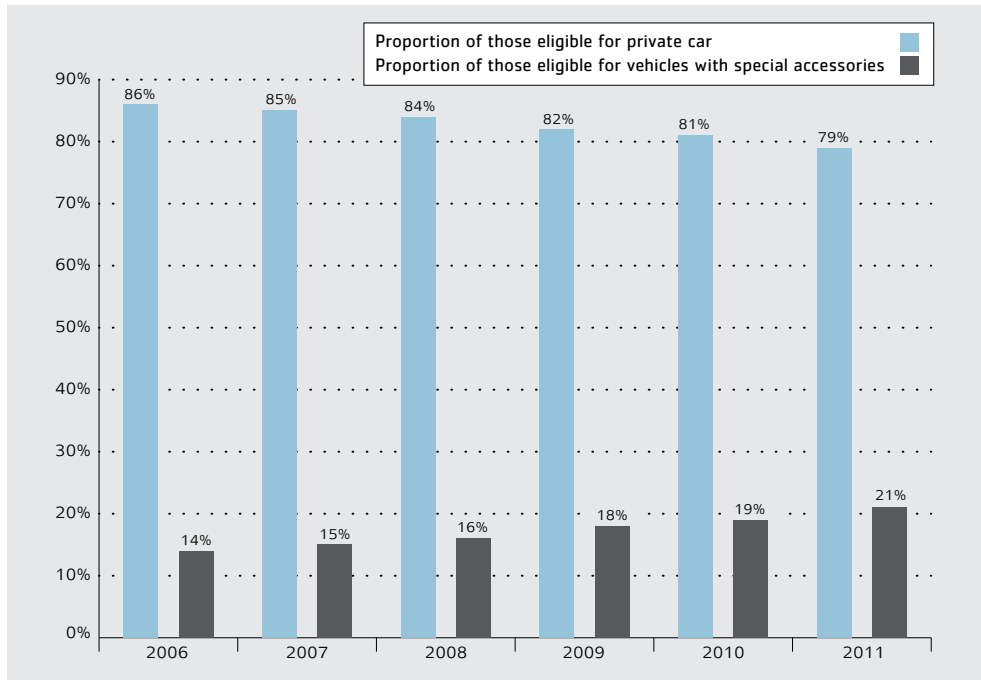


Table 14

Recipients of a Mobility Benefit by Primary Impairment
and Age (absolute numbers and percentages), December 2011

Primary impairment	Total		Age						
	Absolute numbers	Percentages	3-17	18-29	30-39	40-49	50-59	60-66	67 and older
Total	33,656		4,292	3,139	3,181	3,833	7,107	7,306	4,798
		100%	100%	100%	100%	100%	100%	100%	100%
Paralysis	22,207	66%	96%	85%	73%	63%	62%	58%	42%
Limited joint mobility	4,036	12%	1%	5%	10%	13%	13%	16%	19%
Arterial insufficiency	1,902	6%	0%	0%	1%	2%	6%	9%	14%
Amputation	1,441	4%	1%	2%	5%	5%	5%	5%	6%
Sprains	1,297	4%	1%	2%	5%	6%	5%	4%	4%
Artificial joints	1,320	4%	0%	1%	3%	5%	5%	4%	8%
Sclerosis	946	3%	0%	1%	2%	3%	3%	3%	6%
Other	507	2%	2%	3%	2%	2%	1%	1%	1%

Table 15
Recipients of a Mobility Benefit by Gender, Wheelchair Use and Degree
of Mobility Limitation (absolute numbers and percentages),
December 2011

Gender	Total		Mobility limitation					
	Absolute numbers	Percentages	40-49	50-59	60-69	70-79	80-89	90-100
Total	33,656	100%	2,886	3,423	2,746	3,835	8,917	11,849
Men	21,025	100%	10%	11%	8%	12%	26%	33%
thereof: need and use a wheelchair	8,167	100%	1%	1%	3%	3%	22%	70%
Women	12,631	100%	6%	9%	8%	11%	26%	40%
thereof: need and use a wheelchair	5,900	100%	1%	1%	3%	3%	20%	72%

mobility rating and on the size of the vehicle set for him. A look at Table 15 shows that determining whether a disabled person needs and uses a wheelchair indeed has great influence on the limited mobility rating: some 71% of those of limited mobility, both men and women, who need and use a wheelchair, have a degree of mobility limitation of between 90% and 100%.

F. Benefits to radiation-affected persons

1. Central points of the law

In 1994, the Knesset passed the Tinea Capitis Victims Compensation Law, which is meant to compensate those who had contracted tinea capitis – ringworm of the scalp – and who, between January 1, 1946 and December 31, 1960, had been treated with radiation administered by the state, the Jewish Agency, the sick funds or the Hadassah Medical Organization, and later contracted one of the illnesses specified in the law.

Under the Tinea Capitis Victims Compensation Law, a person eligible for benefit payments (which are funded by the Treasury and paid by the NII) is one who is a resident of Israel who had contracted tinea capitis⁴⁵ and whom a medical committee has determined that as a result of the radiation treatments he has contracted various types of cancer in the area of the head or neck; benign tumors in the brain; leukemia; or baldness in the scarred areas of the scalp, and that they have a medical disability of at least 5%.

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⁴⁵ Tinea capitis is a disease caused by superficial fungal infection that causes spots and irritations on the skin. Today the condition is treated with pills or creams, but until 1959 there was no effective medical remedy for it and it was treated with radiation, whose side effects turned out to be serious.

As part of the legislative process, regulations were promulgated that arrange the compensation to victims, including lump-sum compensation, a monthly pension, a grant in lieu of a pension or a grant to survivors as defined by law. Eligibility for benefits under the Tinea Capitis Victims Compensation Law does not prejudice the rights of eligible persons from receiving other benefits from the NII, and does not depend on the age of the disabled person.

Following are the payments made under the law (the amounts are correct for 2011):

Monthly pension: Any person whose degree of medical disability is at least 40% is eligible for a monthly pension equal to 25% of the average wage under the National Insurance Law, multiplied by the degree of medical disability. For a person whose degree of disability is 100%, the amount of the pension is NIS 2,077.

Lump-sum compensation: (a) A candidate who has a 75% medical disability rating or more is eligible for a one-time payment of NIS 178,592. (b) A candidate with a 40%-74% disability rating is entitled to half this sum, or NIS 89,296.

Grant in lieu of a pension: Any candidate whose medical disability rating is between 5% and 39% receives a lump-sum grant, calculated as a percentage of the monthly pension (based on his certified degree of disability) multiplied by 70.

Grants to survivors: (a) A spouse of an ill person with children receives a grant of 36 full benefit payments (NIS 74,772). (b) A spouse without children living with him, or a child of the deceased, is eligible for 60% of the full survivor's benefit – NIS 44,863.

2. Recipients of the monthly pension for radiation-affected persons

At the end of 2011, the number of those receiving a monthly pension under the Tinea Capitis Victims Compensation Law reached 3,997. These are essentially the most seriously ill who are suffering from cancer and its metastases. The average age of recipients is 66.4, as a result of the eligibility period set down in the law. As one can see from Table 16, as opposed to most of the benefits paid by the Disability Insurance Branch, most of those receiving the pension for radiation-affected persons are women. This is the result of their longer life expectancy.

Any person whose degree of medical disability is at least 40% is eligible for a monthly pension equal to 25% of the average wage under the National Insurance Law

At the end of 2011, the number of those receiving a monthly pension under the Tinea Capitis Victims Compensation Law reached 3,997

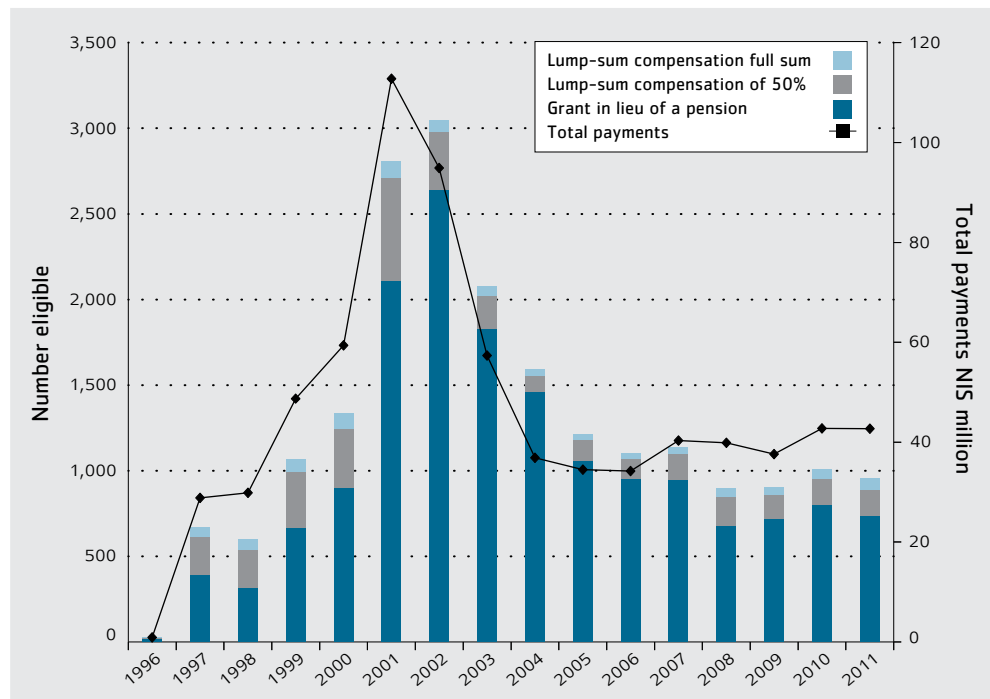
Table 16
Radiation-Affected Persons Receiving a Monthly Pension, by Gender and Age (absolute numbers and percentages), December 2011

Gender	Total	Age			
		50-59	60-64	65-69	70 and older
Total	3,997	553	1,295	1,187	962
	100%	100%	100%	100%	100%
Men	39%	35%	37%	39%	44%
Women	61%	65%	63%	61%	56%

Table 17
Radiation-Affected Persons Receiving a Monthly Pension, by Qualifying Impairment and Medical Disability Degree (absolute numbers and percentages), December 2011

Qualifying impairment		Total		Medical disability degree			
		Absolute numbers	Percentages	40-49	50-59	60-69	80-100
Total	Absolute numbers	3,997		1,709	812	929	547
	Percentages		100%	100%	100%	100%	100%
Skin defects	Scars and skin damage	1,779	45%	54%	53%	38%	15%
	Baldness	755	19%	33%	14%	7%	1%
Internal	Lymph nodes	413	10%	1%	8%	17%	33%
	Other internal	233	6%	5%	7%	6%	5%
Neurological		792	20%	7%	18%	31%	44%
Other		25	1%	0%	0%	1%	2%

Graph 5
Grants to Radiation-Affected Persons: Distribution of the Recipients⁴⁶ and Total Annual Payments, 1996-2011



46 Whoever submitted an appeal of the disability rating set for him and won a higher medical disability rating is counted as eligible for full compensation on the date of appeal.

Table 17 shows the pension recipients at the end of the year by the impairment that makes them eligible and their medical disability degree. One can see that most of the pension recipients suffer from skin defects (64%) and only 29% suffer from an internal impairment (generally cancer). It's possible that this is the result of the different life expectancy for those suffering from cancer. One can also see a direct link between the impairment and the disability rating. Most of those suffering from an internal or neurological impairment have a high medical disability degree while most of those suffering from skin defects have a lower disability rating.

It's interesting to see how the flow of compensation recipients has developed over the years. In Graph 5, one can see that once the law came into full force in the early 2000s, the number of compensation/grant recipients for radiation-affected persons started to drop, presumably because those eligible had secured their rights, and for the past four years their number is stable. Looking at Table 17, one can also see the link between the ratio of pension recipients who have high medical disability degrees to the ratio of people receiving the full grant – which is rather low in two instances – a statistic that could explain the changes in the total amount of grants paid each year in relation to the number of recipients.

Most of the pension recipients suffer from skin defects (64%) and only 29% suffer from an internal impairment (generally cancer). It's possible that this is the result of the different life expectancy for those suffering from cancer

G. Compensation to polio victims

1. Central points of the law

In March 2007, the Knesset passed the Polio Victims Compensation Law, for the purpose of compensating persons who contracted polio in Israel⁴⁷, and as a result developed a medical disability or limited mobility. This was an expression of the state's responsibility towards them since it had been negligent in preventing the spread of the disease.

By law, a person is eligible for compensation (funded by the state Treasury) if he contracted poliomyelitis⁴⁸ or a subsequent exacerbation (post-poliomyelitis)⁴⁹ in Israel, and it was determined by an authorized physician or appellate medical board that he developed a disability as a result. The majority of polio victims contracted the disease during the early years of the state, before the vaccine against polio became available, but some isolated cases are known to have surfaced in later years, most likely among children or adults who were never vaccinated.

The compensation provided to polio victims under this law does not prejudice their rights to receive any other benefit from the NII.

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- 47 From February 2012, people who contracted polio outside of Israel but received medical treatment in Israel until the end of 1969 are eligible for compensation under the law.
- 48 Polio damages the motor nerve cells in the spinal cord, and as a result the nerve and muscle fibers are affected. Around half of polio victims recover completely from the virus while half suffer from varying degrees of motor impairments.
- 49 Post-polio syndrome is caused by erosion of the nerve cells and is characterized by reduced muscle activity accompanied by weakness and pain.

Any person whose certified degree of medical disability is at least 20% is eligible for a monthly pension in accordance with the degree of his medical disability. A full pension is equal to 50% of the average wage under the National Insurance Law – NIS 4,154

The benefits paid under the law are as follows (the amounts are correct for 2011):

- **Monthly pension:** Any person whose certified degree of medical disability is at least 20% is eligible for a monthly pension in accordance with the degree of his medical disability. A full pension is equal to 50% of the average wage under the National Insurance Law – NIS 4,154.
- **Lump-sum compensation:** (a) Whoever has a medical disability rating of up to 74% is eligible for a lump-sum compensation of NIS 57,036. (b) Those whose degree of medical disability is 75%-94% are eligible for NIS 114,300 (c) Those whose degree of medical disability is 95% or more are eligible for NIS 136,888.
- **Grant in lieu of a pension:** Any person whose certified degree of medical disability is less than 20% is eligible for a grant in lieu of a pension, which is paid in accordance the ratio of his disability rating (against a full monthly pension), multiplied by 70.

In addition to these payments, the state subsidizes medical treatments, medical accessories and medical equipment needed by polio victims to maintain a normal routine but which are not included in the health basket.

2. Recipients of a monthly pension for polio victims

In December 2011, the recipients of a monthly pension for polio victims reached 3,749 – an increase of 2.3% over 2010

In December 2011, the recipients of a monthly pension for polio victims reached 3,749 – an increase of 2.3% over 2010. For most of them (75%) this is not the only benefit they are receiving from the NII (see Table 3), and this is not surprising given the eligibility criteria.

Table 18 shows the distribution of recipients of a monthly pension for polio victims by the date they fell ill with the disease. The table shows that 85 percent of recipients fell ill before the vaccine was introduced in Israel in 1961. The rest are children who contracted the disease because they were not vaccinated or people who suffered from a later outbreak of the disease.

With regard to the impairment that qualifies the recipient for a pension, Table 19 shows that some 50% of pension recipients suffer from post-polio myelitis (which is liable

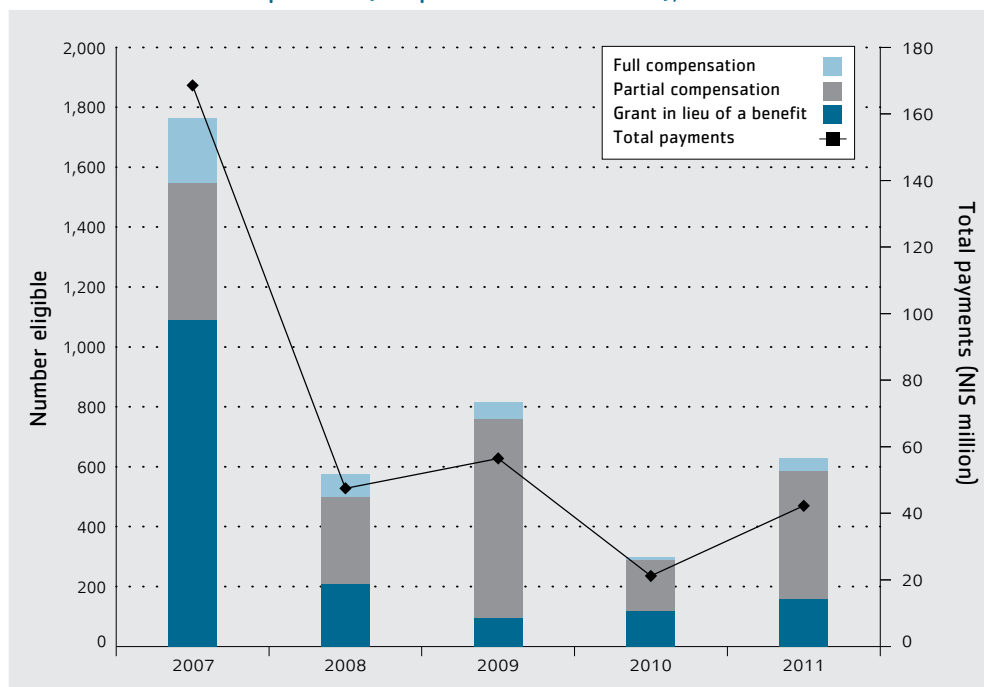
Table 18
Polio Victims Receiving a Monthly Pension by the Date They Fell Ill and by Gender (absolute numbers and percentages), December 2011

Date of illness	Total		Men	Women
	Absolute numbers	Percentages		
Total	3,749	100%	2,094	1,655
Pre-state	279	7%	7%	8%
1948-1959	2,884	77%	75%	79%
1960-1979	483	13%	15%	10%
1980-present	103	3%	3%	3%

Table 19
Polio Victims Receiving a Monthly Pension, by Qualifying Impairment and Medical Disability Degree (absolute numbers and percentages), December 2011

Qualifying impairment	Total		Medical disability rating					
	Absolute numbers	Percentages	20-49	50-59	60-69	70-79	80-89	90-100
Total	3,749	100%	863	419	242	148	1,189	888
Cranial nerve disorders	623	17%	10%	13%	14%	11%	12%	32%
Paralysis of limb nerves	909	24%	65%	26%	45%	40%	5%	2%
Bone disorders or illnesses	336	9%	17%	9%	12%	10%	5%	6%
Post-poliomyelitis	1,881	50%	8%	53%	29%	39%	78%	61%

Graph 6
Polio Victims: Distribution of Compensation Payments and Lump Sums (recipients and amounts), 2007-2011



to present up to 45 years after the viral infection), a statistic that could explain the late average age – 59.5 – of the recipients. One also sees that there is a connection between the impairment and the degree of certified medical disability. The percentage of people

with high degrees of medical disability who suffer from cranial nerve disorders and post-polio myelitis is relatively high compared to the percentage of those suffering from limb paralysis or bone defects, apparently due to deterioration in their condition.

2011 is the fifth year in which compensation is being paid to polio victims

2011 is the fifth year in which compensation is being paid to polio victims. Graph 6 shows the distribution of those receiving compensation/grants by type of compensation⁵⁰, and the total payments of the branch during that year. As one can see, this year the number of those receiving compensation/grants has grown since 2010. One can estimate that this is the result of many eligible persons appealing the medical disability degree determined for them and receiving their entitlement increased, since there was not much of an actual increase in the number of net eligible persons.

H. Payments by the Disability branch

In 2011, the Disability insurance branch paid a total of NIS 11 billion –1% higher, in real terms, than the volume paid in 2010. Examination of the distribution of this branch's expenditure by category shows that the total ratios of payments for disability and rehabilitation benefits continued to decrease in 2011, compared with 2010, and reached approximately 69% of the expenditure in the Disability insurance branch, the result of intensive efforts by the Rehabilitation Department to identify those suited for rehabilitation (Table 20).

The share of benefit payments by the Disability insurance branch out of all benefit payments has remained stable compared with 2010 – 18.4%, following a steady uptrend between 2003 and 2008

At the same time, as in previous years, the percentages of benefit payments for attendance allowance and benefit for disabled child are gradually rising, while the ratio of mobility allowances remained stable. It should be noted that the total amount of payments to radiation-affected persons in 2011 was NIS 120 million, and to polio victims NIS 177 million, similar to the amounts paid in 2010.

Table 21 shows that the share of benefit payments by the Disability insurance branch out of all benefit payments has remained stable compared with 2010 – 18.4%, following

Table 20
Payments by the Disability Insurance Branch,
by Payment Category (percentages), 2006-2011

Year	Total	Disability and rehabilitation	Attendance	Disabled child	Mobility	Fund for the development of services
2006	100	72.8	7.9	7.6	10.5	1.2
2007	100	73.4	8.0	7.5	10.2	0.9
2008	100	72.4	8.3	7.6	10.9	0.8
2009	100	71.3	9.1	7.7	11.0	0.9
2010	100	70.6	9.3	7.8	11.6	0.7
2011	100	69.3	9.9	8.5	11.6	0.7

50 Those who submitted an appeal of the disability degree determined for them and who consequently won a higher medical disability degree are counted as eligible for full compensation on the date of appeal.

Table 21
**Total Volume of Payments of the General Disability Insurance Branch,
 and Their Portion of Total National Insurance Benefits, 2006-2011**

Year	General Disability branch payments		Ratio of benefits payments by the Disability branch of the total benefits payments
	In NIS thousand (2011 prices)	Real rate of annual growth (percentages)	
2006	9,124,866	6.1	18.3
2007	9,548,096	4.6	19.2
2008	9,762,801	2.2	19.2
2009	10,226,823	4.8	18.6
2010	10,741,689	5.0	18.6
2011	10,819,540	0.7	18.4

what had been a steady uptrend between 2003 and 2008. The reason for this moderation is the rates of growth in the other insurance branches, following the hike in the retirement age and the government cutbacks of 2002-2005.

The average disability benefit⁵¹ is influenced by many variables: (a) The percentage of those eligible for a full benefit. (b) The percentage of those eligible for an increment for those dependent on them. (c) The percentage of those eligible who have income, from employment or not from employment. In 2011, the monthly benefit was NIS 2,710, which was 31.7% of the average wage,⁵² i.e., an annual erosion of half a percentage point in relation to the average wage, after it had reached a zenith in previous years.

This statistic also reflects a real decrease of 1.5% in the amount of the benefit compared to 2010. The primary reason for this is the difference between the mechanisms for updating the benefit and wages, but one can also attribute it to the increase in the number of those employed or by the share of those recipients who have other income.

The average attendance allowance (which also includes the additional benefit) went down in real terms by 0.9% compared to 2010 and was NIS 2,383 a month. The main reason in this instance is the difference in the mechanisms for updating the benefit and

In 2011, the monthly benefit was NIS 2,710, which was 31.7% of the average wage, i.e., an annual erosion of half a percentage point relative to the average wage, after it had reached a zenith in previous years

The average attendance allowance (which also includes the additional benefit) went down in real terms by 0.9% compared to 2010 and was NIS 2,383 a month

Table 22
The Average Monthly Disability Benefit (in current prices, in fixed prices and as a percentage of the average wage), 2006-2011

Year	Current prices	2011 prices	As a percentage of the average wage
2006	2,398	2,767	32.0
2007	2,394	2,749	31.4
2008	2,457	2,697	31.0
2009	2,567	2,727	32.2
2010	2,658	2,750	32.2
2011	2,710	2,710	31.7

51 The payments also include amounts paid for the additional monthly pension.

52 The average wage under Sections 1 and 2 of the National Insurance Law.

Table 23
The Average Monthly Attendance Allowance (in current prices, in fixed prices and as a percentage of the average wage), 2006-2011

Year	Current prices	2011 prices	As a percentage of the average wage
2006	1,933	2,230	25.8
2007	1,947	2,236	25.5
2008	2,011	2,207	25.4
2009	2,236	2,375	28.0
2010	2,324	2,404	28.2
2011	2,383	2,383	27.9

Table 24
The Average Monthly Benefit for Disabled Child (in current prices, in fixed prices and as a percentage of the average wage), 2006-2011

Year	Current prices	2011 prices	As a percentage of the average wage
2006	1,973	2,277	26.3
2007	1,975	2,267	25.9
2008	1,888	2,072	23.8
2009	1,973	2,096	24.7
2010	2,207	2,283	26.8
2011	2,266	2,266	26.5

Table 25
The Average Monthly Mobility Allowance (in current prices, in fixed prices and as a percentage of the average wage), 2006-2011

Year	Current prices	2011 prices	As a percentage of the average wage
2006	1,513	1,746	20.2
2007	1,534	1,761	20.1
2008	1,649	1,809	20.8
2009	1,756	1,865	22.0
2010	1,828	1,891	22.2
2011	1,939	1,939	22.7

wages, though there also might be a difference between the medical conditions of the year's new benefit recipients compared to those eligible in previous years.

Aside from the additions of new grounds for eligibility, the Or-Noy recommendations united the increments for school expenses and maintenance; as a result, children who were under 14 before the new regulations went into effect are not eligible for the separate

increment for studies that had been paid until then. The average benefit⁵³ in 2011 was NIS 2,266, which is 26.5% of the average wage, slightly lower than in 2010. There was also a real decrease in the level of the benefit, after it had increased in 2010 (because of the rise in the rate of benefit to those suffering from a special medical impairment).

In 2011 the average mobility allowance was NIS 1,939 a month, 22.7% of the average wage. This reflects a real increase of 2.5% in the benefit over 2010. One can attribute this increase to, among other things, an increase in the percentage of people entitled to a specially accessorized vehicle, to the increase in gasoline prices and to the depreciation of the shekel against the dollar, which made car maintenance expenses more costly.

In December 2011, the average monthly pension to radiation-affected persons was NIS 1,208, up 0.5% in real terms compared to 2010 – which is evidence that there has been no drastic change in the medical conditions of new recipients or those already receiving the benefit. The average monthly pension for polio victims was NIS 2,879, which constitutes 33.7% of the monthly wage, and reflects a real decrease of 0.6% compared to 2010.

In 2011 the average mobility allowance was NIS 1,939 a month, 22.7% of the average wage

In December 2011, the average monthly pension to radiation-affected persons was NIS 1,208, up 0.5% in real terms compared to 2010

.....
53 The payments also include the amounts paid for the additional monthly pension.

