

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:

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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 after 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: the payment for normal deliveries and an additional payment for premature deliveries is 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. In recent years, pursuant to a government decision under the Economy Arrangements Law, the government has updated the amount of the hospitalization grant: in April 2005, the grant for a premature birth was increased by about 50%; in January 2007, the grant was increased for all births by 12.1%; in August 2009, it was increased again by about 10%; and in April 2012 by a further 0.2%. Government intervention in determining the amount of the hospitalization grant is, in effect, a means of injecting funds to hospitals via the NII.

Expenses of transportation to a hospital – The NII 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 the 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. Eligible for a maternity allowance are all working mothers – 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 qualifying period”). The maternity allowance is paid for seven or 14 weeks, depending on the qualifying period that the woman has accumulated (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 (at or before the birth), but does not exceed a maximum amount prescribed in the law. Income tax and national insurance and health insurance contributions are deducted from the maternity allowance at source.

Pregnant women may begin receiving the maternity allowance before their estimated delivery date, but for no more than half of their period of entitlement to 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 workers are also eligible for a maternity allowance. The 2003 Economy Arrangements Law prescribed that foreign workers who are staying in Israel without a legal permit are not eligible for a birth grant or for a maternity allowance.

Childbirth allowance – This allowance is paid to women who in one delivery give birth to three or more infants who remain alive for the period prescribed by law, and it is intended to assist her with expenses. The 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 entitlement.

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 that for a maternity allowance. At the beginning of 1995, the amount of the risk pregnancy benefit was set at the woman’s average wage in the three months prior to stopping work and no 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 a 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 same rate as the injury allowance and for up to 12 weeks. This special benefit is paid in about ten cases per annum.

International Comparison of Maternity Benefits: Conditions of Eligibility, Duration and Size of Payment

The maternity allowance is intended to compensate working women for the loss of pay during the maternity leave they are obliged to take under the Employment of Women Law. Eligible for a maternity allowance are all working mothers – employees, the self-employed and those in vocational training – for whom insurance contributions have been paid for 10 out of the 14 months or 15 out of the 22 months prior to the birth, in which case the maternity allowance is paid for 14 weeks. If insurance contributions were paid for her for 6 out of the 14 months prior to the birth, the maternity allowance is paid for 7 weeks. The amount of the maternity allowance per day is 100% of the income or daily average wage of the mother in the three months prior to stopping work. In 2012, the maximum maternity allowance was NIS 1,400, which is about 285 euros per day.

For the purpose of an international comparison of eligibility criteria and components of the benefit, 27 European countries were selected (see table below). The comparison shows that in most countries – 24 out of 27 – eligibility for maternity benefit is conditional on the woman having worked before the birth. In the other three countries – Iceland, Norway and Finland – the criterion is residency. The qualifying period ranges from one month out of the 12 months prior to the birth up to 365 days out of the two years prior to it. In another eight countries, no qualifying period is defined.

Maternity leave lasts between 9 weeks in Norway up to 34 in Slovakia, and the European average is 18 weeks. Maternity leave in Israel is shorter than the European average (7 to 14 weeks), as the graph below shows. The maternity benefit in the countries examined is 50%-100% of the mother's wage or income before the birth. The most common rate, found in 23 of the 27 countries, is 80%. In this aspect, Israel is in the group of the most generous countries, since new mothers are paid 100% of their wages or income before the birth.

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Maternity Insurance: Qualifying Period for Maternity Benefit and Duration of Paid Maternity Leave in European Countries, January 2012

Country	Qualifying period	Paid leave (weeks)	Size of payment
Israel	Worked for 10 out of 14 months or 15 out of 22 months prior to the birth.	7 or 14	100% of average daily income in 3 months prior to stopping work, up to 287 euros per day
Austria	Worked up to 6 months out of 14 months prior to the birth for all working women (unconditional)	16	100% of average wage during 13 weeks prior to stopping work
Italy	All working women (unconditional)	21	80% of last monthly wage prior to stopping work
Iceland	12 months of residency prior to the birth	13	80% of average wage during the last year before stopping work. For non working women: minimum payment of 353 euros per month
Ireland	39 weeks of insurance in the 12 months prior to the birth	26	80% of the last weekly wage up to 262 euros per week
Estonia	All working women (unconditional)	20	100% of last monthly wage before stopping work
Belgium	6 months of insurance payments	15	82% of the last wage for the first 30 days of leave, and 75% from the 31st day
Britain	26 working weeks out of the 66 weeks prior to the birth	26	90% of the average weekly wage
Germany	All working women (unconditional)	14	100% of last monthly wage before stopping work, up to 13 euros per day
Denmark	120 hours of work in the 13 weeks prior to stopping work	18	100% of the last daily wage to a ceiling of 530 euros per week
Holland	All working women (unconditional)	16	100% of daily wage up to 193 euros per day
Hungary	365 days of insurance in the two years prior to the birth	24	70% of the daily wage in the last year prior to stopping work
Greece	200 days of work in the two years prior to the birth	19	50% of the last wage plus 10% for each child (up to 4 children)
Luxemburg	6 months of insurance payments	16	100% of the last monthly wage before stopping work
Latvia	12 months of insurance in the 24 months prior to the birth	18	100% of the average wage in the year before stopping work
Lithuania	All working women (unconditional)	16	80% of the average wage in the year before stopping work
Norway	Permanent residency before the birth	9	100% of the last daily wage. For non working women: a fixed one off payment of 4,655 euros
Slovakia	270 days of insurance in the two years before the birth	34	65% of the daily wage in the year prior to stopping work
Spain	180 days of work in the 7 years prior to the birth	16	100% of the wage in the last month prior to stopping work
Poland	All working women (unconditional)	20	100% of the daily wage
Portugal	6 months of insurance payments	17	100% of the daily wage
Finland	180 days of residency before the birth	15	90% of the last wage for the first 56 days of leave and 70% from the 57th day. For non working women: minimum payment of 22 euros a day
Czech Republic	270 days of insurance in the two years prior to the birth	28	70% of the average daily wage
France	10 months of work prior to the birth	16	100% of the wage of the last month prior to stopping work, up to 80 euros per day
Cyprus	26 weeks of insurance payments	18	75% of the average wage in the last year prior to stopping work
Romania	One month of insurance in the 12 months prior to the birth	18	85% of the average wage in the last 6 months before stopping work
Sweden	All working women (unconditional)	14	80% of the last wage
Switzerland	5 months of work out of the 9 months prior to the birth	14	80% of the average wage before stopping work up to 163 euros a day
European average		18	

Source: The European Union's on-line information system (MISSOC)



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B. Main Trends

In 2012, birth grants were paid to about 169,000 women (Table 1) – an increase of 3.5% compared with 2011. At the same time, the number of women of childbearing age (15 to 44) rose by 2.6%. In other words, the number of births per 1,000 women of childbearing age rose from about 91 births in 2011 to about 92 births in 2012.

Approximately 49,400 of the births in 2012 were first births, 45,500 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 90 were births of triplets or more.

Of the total number of hospitalization grants paid in 2012, 2,713 grants were paid in respect of premature births, 5 less than in 2011.

In 2012, approximately 112,000 women received a maternity allowance, compared with approximately 106,000 women in 2011 – an increase of 5.9%. In those years the number of women of child-bearing age participating in the work force rose by 2.7%. In other words, the number of women who received a maternity allowance per 1,000 married women participating in the work force rose from 129 in 2011 to 133 in 2012.

The percentage of women who received a maternity allowance in 2012 was about 66% of the number of women who received a birth grant – a slight increase compared to 2011, when the percentage was 65%. The average age of recipients of the maternity allowance

In 2012, approximately 112,000 women received a maternity allowance, compared with approximately 106,000 women in 2011

The rate of women who received a maternity allowance out of those who received a birth grant increased slightly – from 65% in 2011 to 66% in 2012

Table 1
Live Births by Order of Birth (percentages), 2008-2012

Year	Total	1st birth	2nd birth	3rd birth	4th and subsequent births
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
2012	100.0	29.5	27.1	19.8	23.6

Table 2
Women Who Received a Birth Grant and Maternity Allowance (monthly average) (numbers and percentages), 2008-2012

Year	Received Birth Grant		Total	Received Maternity Allowance	
	Number	% change over previous year		% change over previous year	% of all women who received birth grant
2008	152,319	3.5	93,630	5.1	61.5
2009	157,702	3.5	97,715	4.4	62.5
2010	166,694	5.7	103,318	5.7	62.1
2011	163,402	-1.8	105,740	2.3	64.7
2012	169,166	3.5	112,014	5.9	66.2

Table 3
Recipients of Maternity Allowance, by Size of Allowance Per Day as a Percentage of the Average Daily Wage (numbers and percentages), 2008-2012

Year	Total number of recipients	Up to 1/4 of average wage	1/4-1/2 of average wage	1/2-3/4 of average wage	3/4 to full average wage	More than average wage
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
2012	112,014	7.4	24.5	26.1	17.1	24.9

in 2012, 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

– 31.5 – rose slightly in comparison with 2011. 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 2012, 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 22.8% in 2008 to 24.9% in 2012. Concurrently, the percentage of women who are receiving up to half of the average wage has been diminishing, from approximately 33% in 2008 to less than 32% in 2012.

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 2012, the average earnings from work of women giving birth were NIS 7,227 per month, which represents approximately 82% of the average wage in the economy, compared with NIS 6,991 in 2011, also representing approximately 82% of the average wage.

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 2012 the average maternity allowance was NIS 241 per day, which is about 82% of the average wage. Women up to the age of 24 received maternity allowance at the rate of approximately 46% of the average national daily wage, while among women who were at least 35 years old, the rate rose to above the average daily wage (105% of the average daily wage).

The maternity allowance paid in the center of the country was higher than that paid in outlying regions of Israel. The NII's Tel Aviv and Kfar Saba local branches recorded the highest average daily rate for the maternity allowance (119% and 114% of the average national daily wage, respectively), while the NII's Bnei Brak and Nazareth local branches recorded the lowest average daily rate (63% and 60% of the average daily wage, respectively).

It should be noted that in 2012, the number of men who received a maternity allowance remained stable in comparison to 2011 – 537 men. In other words, for every 1,000 women who received a maternity allowance, about five men received the allowance. Between 2009 and 2011 there was a steady increase in the number of men receiving maternity allowance, from 285 to 536.

Table 4
Maternity Benefits Payments, in 2012 Prices
(NIS thousand), 2008-2012

Year	Total benefit payments	Hospitalization	Birth grant	Maternity allowance	Risk pregnancy
2008	4,297,285	1,738,754	168,304	2,253,154	126,566
2009	4,643,862	1,926,937	177,251	2,373,910	148,530
2010	4,963,650	2,138,720	185,443	2,465,025	157,380
2011	5,122,665	2,150,201	183,316	2,570,502	162,490
2012	5,481,607	2,186,969	189,699	2,750,795	178,525

C. Volume of Payments

In 2012, the volume of benefit payments by the Maternity branch increased by 7.0%. Payments of hospitalization grants and maternity allowances constituted approximately 93% of all payments

In 2012, the volume of benefit payments by the Maternity branch increased by 7.0% (in fixed prices). Payments of hospitalization grants and maternity allowances constituted approximately 93% of all payments. The rise in the total volume of payments was primarily due to an increase in the number of births.

The share of payments by the Maternity Insurance branch out of total NII payments rose from 8.2% in 2011 to 8.4% in 2012, in line with the increase in the number of women giving birth. It should be noted that, except for 2011, the rate of maternity benefits as a proportion of all NII payments has been rising since 2006.