

6. General Disability Insurance

A. General Disability Branch Benefits

The following benefits are paid under the National Insurance Law in the framework of the General Disability branch:

- **Disability pension** – guarantees a minimum subsistence income for disabled persons whose earning capacity from work or occupation has been impaired. Paid since 1974.
- **Attendance allowance** – helps disabled persons who are dependent on the assistance of others for the performance of daily activities or who need constant supervision by financing assistance for these activities. Paid since 1979.
- **Benefit for disabled child** – paid to families who are caring for their disabled child at home. Paid since 1981.

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

- **Mobility allowance** – paid to persons with limited mobility¹, to subsidize their expenses of mobility outside the home. Paid since 1975.
- **Compensation to Tinea Capitis victims** – paid to those who received radiation to treat scalp ringworm (Tinea Capitis) between 1946 and 1960 and fell ill as a result. Paid since 1995.

Table 1
**Recipients of General Disability Pensions, Attendance Allowances,
Disabled Child Benefits and Mobility Allowances (average per month), 2009–2013**

Year	Disability		Attendance		Disabled child		Mobility	
	Number of recipients	Rate of change	Number of recipients	Rate of change	Number of recipients	Rate of change	Number of recipients	Rate of change
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%
2012	217,589	2.2%	37,825	7.4%	32,103	8.9%	34,087	3.4%
2013	222,641	2.3%	40,860	8.0%	36,006	12.2%	35,311	3.6%

Table 2
**Disability Benefit Recipients who are Minors,
by Benefit Category, December 2013**

Number of benefits	Benefit category	Number of recipients	Rate change
Total	Disabled minors	38,217	13.8%
One benefit	Disabled child	33,754	15.7%
	Mobility	252	-4.5%
Two benefits	Disabled child and mobility	4,211	2.2%

1 A disabled person suffering from leg impairment, as specified in the Law.

Table 3
Adult Disability Benefit Recipients, by Benefit Category, December 2013

Number of benefits	Benefit category	Number of recipients	Rate change compared to 2012
Total	Disabled adults	252,845	3.0%
	General disability	224,794	2.3%
	Attendance	42,054	8.4%
	Mobility	31,608	4.6%
	Polio	4,223	3.7%
	Tinea Capitis	4,284	3.5%
One benefit	General disability only	185,647	1.9%
	Attendance only	8,398	14.1%
	Mobility only	10,838	5.5%
	Polio only	1,065	5.0%
	Tinea Capitis only	3,543	5.8%
Two benefits	General disability + attendance	21,599	6.8%
	General disability + mobility	6,968	-1.0%
	General disability + polio	287	-7.4%
	General disability + Tinea Capitis	393	-13.8%
	Attendance + mobility	2,249	15.4%
	Attendance + polio	31	24.0%
	Attendance + Tinea Capitis	123	8.8%
	Mobility + polio	1,366	5.6%
	Mobility + Tinea Capitis	54	14.9%
	Polio + Tinea Capitis	4	33.3%
Three benefits	General disability + attendance + mobility	8,647	6.0%
	General disability + attendance + polio	77	10.0%
	General disability + attendance + Tinea Capitis	66	-9.6%
	General disability + mobility + polio	603	-0.2%
	General disability + mobility + Tinea Capitis	20	0.0%
	General disability + polio + Tinea Capitis	-	-
	Attendance + mobility + polio	327	13.1%
	Attendance + mobility + Tinea Capitis	49	19.5%
	Attendance + polio + Tinea Capitis	1	-
	Mobility + polio + Tinea Capitis	3	50.0%
Four benefits	General disability + attendance + mobility + polio	459	-0.6%
	General disability + attendance + mobility + Tinea Capitis	28	-12.5%
	General disability + attendance + polio + Tinea Capitis	-	-
	General disability + mobility + polio + Tinea Capitis	-	-
	Attendance + mobility + polio + Tinea Capitis	-	-
Five benefits	General disability + attendance + mobility + polio + Tinea Capitis	-	-

- **Compensation to polio victims** - paid to those who contracted polio in Israel – or received medical treatment for polio in Israel – and suffered a medical disability as a result of the polio. Paid since 2007.

A study carried out by the National Insurance Institute of Israel and the JDC – Brookdale Institute and published in 2012 shows that approximately one million people

living in Israel define themselves (a subjective definition) as having some level of disability that interferes with their functioning². Approximately a quarter of them, 253 thousand, received a benefit (one or more) in 2013 from the NII General Disability branch – an annual increase of 3% in the number of entitled persons (the others – approximately 100 thousand – receive a benefit from another source [the Ministry of Defense, work-related injuries, etc.] and some do not receive a pension for various reasons: their disability level is insufficient to entitle them to a benefit or that they simply do not take up their rights).

General disability pension recipients constitute approximately 90% of all persons entitled to benefits from the branch. Their average number per month reached 222,641 in 2013, approximately 4.6% of the pension entitlement-age population (18 up to retirement age). After approximately a decade during which the retirement age has changed and Amendment 109 to the Law (Laron Law) was enacted, the annual rate of increase in the number of pension recipients has stabilized at 2% per year – a rate identical to the natural population growth rate.

The number of recipients of a benefit for disabled child rose sharply compared with previous years, as a result of broadening of the grounds entitling to a benefit (**Or-Noy Amendments 2**). It may be assumed that this trend will continue in the coming years in view of the further broadened grounds for benefit entitlement, but not necessarily at the same rate. The growth rate in the number of attendance allowance recipients also continues to increase compared to that of previous years. Inter alia, due to a change in the length of the waiting period until commencement of benefit entitlement. On the other hand, the growth rate in the number of mobility allowance recipients remains unchanged compared to its growth rate in 2012 (approximately 3.5%).

From November 1999, a disabled person who meets all the conditions of entitlement under the relevant laws and the regulations may receive more than one benefit from the General Disability branch for the same period of time. In December 2013, 43,354 disabled adults and 4,211 disabled minors (who constitute approximately 16% of the number of benefit recipients of the branch) received two or more benefits simultaneously (Tables 2 and 3). Particularly prominent are the attendance allowance, approximately 80% of whose recipients are entitled to additional benefits as well (usually a disability pension) and the benefit for polio victims, where approximately 75% of persons entitled thereto receive an additional benefit as well (mainly mobility).

B. Disability Pension

1. Key elements of the Law

IN the framework of General Disability Insurance, a monthly pension is paid to Israeli residents from e age 18 up to retirement age whose ability to earn from work³ has been

2 Naon et al. (2012). Working age disabled persons in Israel – Prevalence in the Population, Characteristics and Employment Status. The National Insurance Institute of Israel.

3 When establishing the disability pension entitlement, there is no reference to non-work income.

impaired due to their disability. This pension guarantees a minimum subsistence income⁴ to entitled persons, who are classified into two categories:

- Disabled wage-earners: Men or women who, as a result of a physical, cognitive or psychological impairment from an illness, accident or congenital defect, have lost their capacity to earn, or their capacity to earn has been reduced by 50% or more, or their monthly income does not exceed the threshold set by law.
- Of the disabled wage-earners, the Law differentiates between two entitled groups: Group “A” – people with a severe impairment⁵ or people with longstanding⁶ entitlement, who are entitled to a disability pension if their income from work does not exceed 60% of the average wage; Group “B” – all the rest, who are entitled to a pension if their income from work does not exceed 45% of the average wage.

Housewives – married women who have not worked outside their household for periods defined under the Law prior to submitting the pension claim and who, as a result of a physical, cognitive or psychological impairment deriving from an illness, accident or congenital defect, have lost at least 50% of their capacity to function in the household.

There are several stages to the entitlement determination process:

1. **Examination of the work income at the time of enrollment:** The level of work income allowing pension payment is not fixed but rather varies according to the medical condition and to the group to which the insured belongs.
2. **Establishing medical disability:** A qualified physician on behalf of the National Insurance Institute, subject to medical examinations and medical records, establishes the medical disability percentages according to the disability criteria set by the Law. The medical percentages reflect the severity of the medical condition of the disabled person. As part of the medical examinations, the physician and a claims officer ascertain whether the threshold conditions required for defining a person as disabled are satisfied: (a) Disabled wage-earner – a medical disability of at least 60%, or 40% when there is at least one impairment at a rate of 25% or more. (b) Housewife – a medical disability of at least 50%.
3. **Establishing the degree of earning incapacity:** The NII claims officer, after consulting with the qualified physician and the rehabilitation officer, establishes to which degree the disabled person cannot earn⁷ (the degree of incapacity), according to the degree of his ability to return to his work (on a full-time or part-time basis) or to integrate into

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4 A disability pension is paid from the 91st day of onset of the impairment, provided that the claim was submitted within 15 months. For later claims, the payment commencement date is later.

5 Severe impairment: Someone whose medical disability has been set at a rate of at least 70%, or who suffers from mental retardation or a psychological disability at a rate of at least 40%.

6 Longstanding entitlement: Someone who was entitled to a pension for at least 60 months during the 7 years preceding 1.8.2009.

7 Loss of earning capacity lower than 50% does not entitle to a pension.

other suitable work, subject to his education, physical capacity and medical condition. Establishing a full or partial degree of incapacity reflects a total or partial loss of the earning capacity of the disabled person and establishing a fixed or temporary degree of incapacity indicates a loss of the earning capacity either permanently or for a limited period of time.

In August 2009, Amendment 109 to the National Insurance Law (Laron Law) came into force. This amendment was designed to improve the conditions of disability pension recipients joining the job market, with the intent to improve their quality of life, to integrate them into society and to strengthen their public image. The main change instituted by the amendment was to allow them to increase their work income without negating their entitlement to a pension or related benefits and to guarantee that the overall amount received from work and the pension together will always be higher than the pension amount alone⁸. Moreover, the disabled persons were divided into two groups (see above) in order to differentiate between those with a high potential for integration into the job market and those whose prospects for this are lower. Furthermore, different work income levels were created for establishing the benefit entitlement, with the aim of encouraging integration into the job market. Also, as part of the amendment, a new pension was added under Disability Insurance: an incentive pension, paid in lieu of a disability pension to those whose work income exceeds the amount set by law, i.e. 45% - 60% depending on the group, and who had been entitled to a disability pension for at least 12 months.

A disabled wage-earner or housewife for whom full incapacity (at least 75%) has been established is entitled to a monthly pension at a level of 26.75% of the “basic amount” as defined by law. In 2013, the full pension amount for an individual disabled person was NIS 2,299. For disabled persons with a degree of full incapacity who do not live in an institution and whose medical disability is at least 50%, an increment to the monthly pension (**additional monthly pension**) is paid in the amount of NIS 247 – NIS 365 (in 2013). Approximately 65% of pension recipients were entitled to this increment in 2013.

The disabled person is entitled to an increment for his dependents as well, which constitutes an important tool in families one of whose wage earners is a disabled person to escape poverty: (a) for a spouse of an Israeli resident (whether they are married or a common law couple), whose monthly income does not exceed 57% of the average wage – an increment of 50% of the full individual pension paid to him. (b) For the child of an Israeli resident, as defined by NII – an increment of 40% of the individual

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8 Until the amendment to the Law went into effect, the disability pension was discontinued depending on the education of the disabled person (when his work income exceeded 37.5/45/55% of the average wage) and now it is offset according to Table H1 as defined under the Law: For work income that does not exceed 21% of the average wage, the monthly pension does not change; for income of 21% - 25% of the average wage, the pension is offset by 10%; for income of 25% - 68% it is offset by 30%; for income of 68% - 93% by 40%; and for income higher than 93% - by 60%.

pension paid to him (for the first two children only). A disabled housewife is entitled to an increment for the first two children only and not for her spouse. A disabled wage-earner or housewife receiving an increment for their dependents who have non-work income will have the entire non-work income amount deducted from the increment for dependents (only). Aside from the benefits under NII, those who receive a disability pension or incentive pension are also entitled to benefits from different public entities under varying conditions⁹.

2. General disability pension recipients

From the beginning of the century the growth rate in the number of disability pension recipients was 2 or more times higher than the natural population growth rate. There are several reasons for this growth: (a) The gradual increase in retirement age for men and women. (b) The growth in the morbidity rates of the population, stemming from an increase in reporting of illnesses and from a decrease in mortality rates among patients. (c) A change in the income threshold that allows examination of disability pension entitlement and the gradual offsetting of the disability pension in relation to work income. Since the potential of new enrollees who have become entitled pursuant to these changes was maximized, the annual growth has stabilized at 2% per year – a level very close to the natural population growth (Graph 1).

Notwithstanding the stabilization of the annual growth rate in the number of entitled persons, the number of general disability pension claims continues to rise (in 2013 it reached approximately 107 thousand) as does the number of first time pension recipients (approximately 23 thousand)¹⁰. It may be assumed that their economic situation urged them to seek alternative sources of income, where on the other hand the number of people leaving the system increased – which impacts the net growth in the number of recipients.

Despite the continuing growth in the number of claims per year, NII set itself a goal to reduce to the extent possible the claim processing time, from the time of claim submission and until the decision is made, as part of improved service to the insureds. This goal has been achieved: compared to 2008, the average processing time for a disability pension claim decreased by approximately 20% and it is currently 56 days on average (Graph 2).

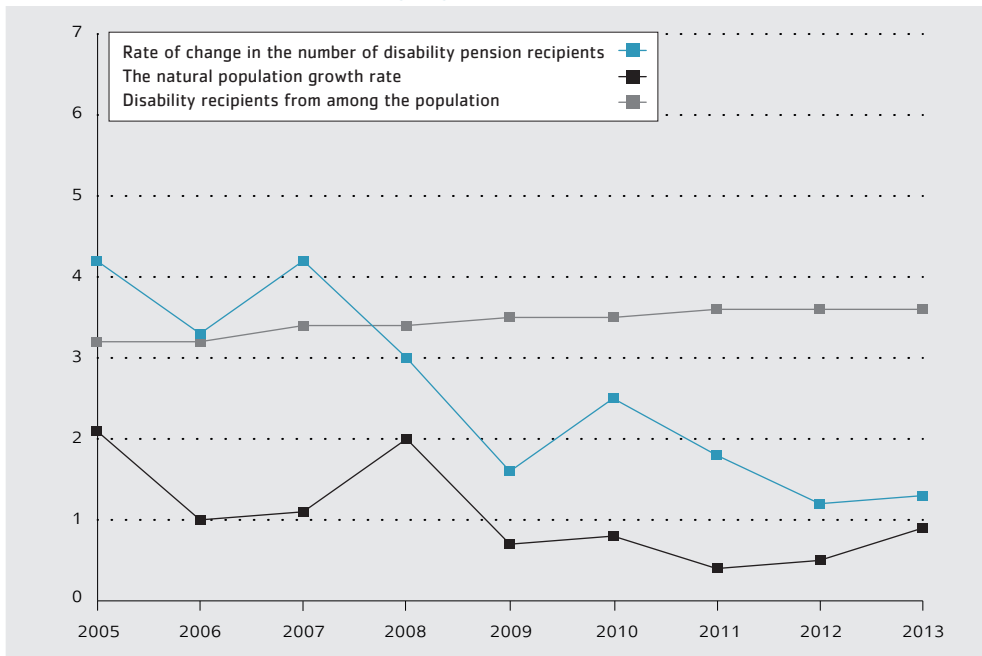
An inspection of the distribution of pension recipients in December 2013 by gender and established degree of incapacity¹¹ indicates a considerable disparity between disabled

9 These benefits include, inter alia: An exemption from payment of insurance contributions to NII, exemption from payment of income tax and purchase tax to the Ministry of Finance, municipal and water tax concessions, assistance with rent or in purchasing an apartment by the Ministry of Construction and Housing, a concession in taxes paid to the Israel Lands Administration, discounts on public transportation, benefits from the Ministry of Welfare and Social Services and benefits in payments to the sick fund. Details of the benefits may be found at the entities conferring the benefits.

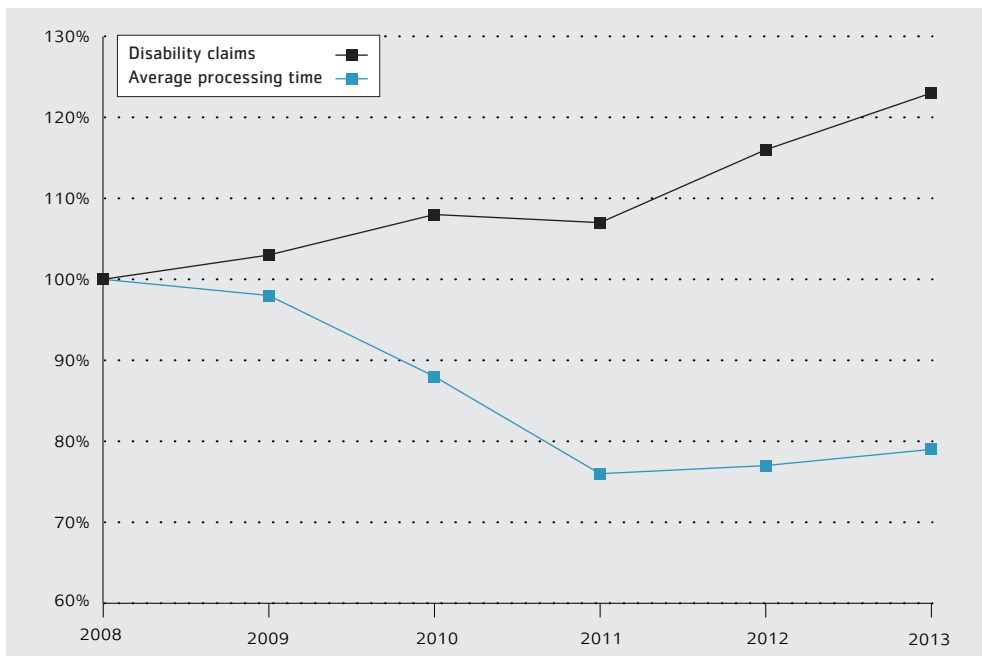
10 In recent years there has been no substantial change in the rate of rejected claims.

11 The distribution of the pension recipients by degrees of incapacity and medical percentages appears in Table 1/1 of the Appendix.

Graph 1
Disability Pension Recipients and the Development
of the Working-age Population, 2005-2013



Graph 2
The Change in The Number of Disability Pension Claims
and in the Average Claim Processing Time (percentages), 2008-2013



wage-earners and housewives (Table 4). For approximately 84% of wage-earners (men and women), full loss of earning capacity was established and they are entitled to a full benefit, as opposed to housewives, for whom only approximately 38% of whom full loss of capacity was established. These differences stem from the different entitlement criteria between the two groups.

Table 4
Disability Pension Recipients by Degree of Incapacity
and Gender (absolute numbers and percentages), December 2013

Gender Absolute numbers		Total		Degree of incapacity (percentages)				
		Percentages	60%	65%	74%	75% - 100%		
Total	Numbers	224,794		23,513	15,347	4,745		181,189
	Percentages		100%	10.5%	6.8%	2.1%		80.6%
Men		130,424	100%	9.0%	5.1%	1.5%		84.4%
Women	Total	94,370	100%	12.4%	9.2%	3.0%		75.4%
Of which	Wage-earning women	78,410	100%	9.3%	5.9%	1.8%		82.9%
	Housewives	15,960	100%	27.7%	25.4%	8.6%		38.3%

Table 5
Disability Pension Recipients by Present Age, Average Age
and Primary Impairment (absolute numbers and percentages), December 2013

Primary impairment		Total		Age (percentages)					Average age
		Absolute numbers	Percentages	18 – 24	25 – 34	35 – 44	45 – 54	50 – retirement age	
Total	Numbers	224,794		17,536	33,184	41,786	55,158	77,130	46.7
	Percentages		100	100	100	100	100	100	
Psychological	Psychotic disorders	44,760	20.0	19.8	28.2	27.8	20.2	11.9	43.1
	Psychoneurotic disorders	29,775	12.8	15.5	16.1	15.1	14.6	9.5	44.2
Mental retardation		23,058	10.4	23.6	19.3	13.6	7.4	3.6	37.9
Internal		54,002	23.9	8.9	9.3	14.6	24.3	38.7	53.2
Urogenital		7,234	3.3	1.3	1.6	2.4	3.7	4.4	51.5
Neurological		28,722	12.8	16.1	12.9	12.3	11.6	13.1	46.3
Locomotor		18,777	8.3	5.1	5.1	7.1	9.7	10.2	49.7
Sensory	Visual	10,662	4.9	4.8	4.4	4.5	4.6	5.1	47.3
	Hearing	5,335	2.3	4.7	2.8	2.1	2.0	2.1	43.7
Other		2,469	1.2	0.3	0.4	0.5	1.8	1.4	51.8

Approximately one third of disability pension recipients suffer from a psychological problem as a primary impairment¹² (Table 5). The primary impairment characteristics vary among people of different ages: At a young age the congenital impairments are prominent (such as retardation, hearing and psychological¹³) and at an older age the rate of impairments that develop with age increased (such as internal and urogenital¹⁴). Compared to 2012, the average age of disability pension recipients decreased by approximately half a year (from 47.3 to 46.7) – a result of the age of the new enrollees in the system compared to the age of those leaving it.

Approximately 48% of disability pension recipients are married¹⁵, but about 41% of them are not paid an increment for their family members due to the high (non-work) income of the disabled person or of the (work and non-work) income of their spouse (Table 6).

The percentage of married wage-earning women is low since a married woman who did not work prior to submission of the claim for a period of time defined by law is deemed a housewife. Nonetheless, the percentage of women defined as housewives is decreasing, whereas the percentage of women defined as wage-earners is increasing.

Table 6
Disability Pension Recipients by Dependent Composition
and Family Status (absolute numbers and percentages), December 2013

Family status		Total		Dependent composition					
		Absolute numbers	Percentages	Without dependents	One child	Two children	Spouse	Spouse + child	Spouse + 2 children
Total	Numbers	224,794		148,921	17,257	20,656	15,809	6,836	15,315
	Percentages		100	66.1%	7.5%	8.8%	7.5%	3.2%	6.9%
Married	Total	106,533	47.4	43,912	10,084	15,213	15,637	6,678	15,009
	Men	64,656	28.8	22,505	3,779	5,223	13,791	5,817	13,514
	Wage-earning women	25,917	11.6	12,549	3,831	5,362	1,846	861	1,468
Unmarried	Housewives	15,960	7.1	8,858	2,474	4,628	-	-	-
	Total	118,261	52.6	105,009	7,173	5,443	172	158	306
	Men	65,768	29.3	60,126	2,787	2,281	147	140	287
	Wage-earning women	52,493	23.4	44,883	4,386	3,162	25	18	19

12 A primary impairment is defined as an impairment having the highest medical percentage of the impairments. The NII medical disability percentages are not established according to illnesses but according to the limbs and their functioning.

13 Retardation: Including those suffering from Down syndrome; psychological: including those suffering from autism.

14 Internal: Including blood, heart, liver and lung diseases, diabetes, asthma and most cancer patients; urogenital: Including kidney, urinary and reproductive tract and bladder problems (common among prostate cancer patients).

15 Not including disabled persons who have a common law spouse.

Box 1 An International Look At The Disability Pension: Israel And The Oecd Countries

A review carried out by the NII In 2010 of the social security system in Israel compared to the OECD countries¹ revealed that there are many differences in the disability pension entitlement conditions among the various countries.

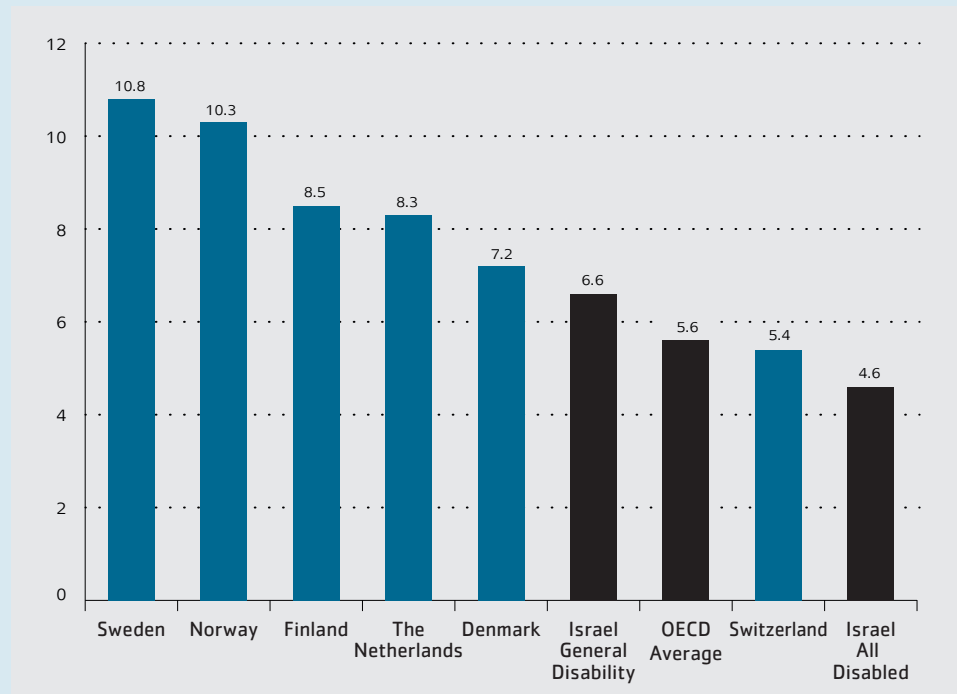
- **Who is insured**

There are countries where all working age residents are insured with regard to disability pension (Israel, Sweden, Norway, Denmark, Finland, Iceland, the Netherlands and Switzerland while in the other countries only workers are insured (salaried or self-employed).

- **Establishing the degree of lost earning capacity**

In almost all the OECD countries entitlement to disability pension is contingent on loss of earning capacity. However, there is no uniform or accepted tool that

Graph 1
Disability Pension Recipients as a Percentage
of the Working Age Population, Israel and Selected Countries, 2011



1 Jacques Bendelac et al. (2010). An International Perspective on the Social Security System: Israel and the OECD Countries, 2009.

establishes the degree of loss of capacity. Hence, a person defined as disabled in one country would not necessarily be so defined in other countries. Moreover, the rate of the minimal loss of earning capacity is not identical among the countries: In Israel, for example, insureds who have lost at least 50% of their capacity to earn are entitled to a pension and this is also the case in Norway, Denmark, Iceland, Austria, Greece and Hungary.

In other countries the requisite loss of capacity rate is higher (for example, Great Britain, France, Italy and Belgium) and there are countries where the requisite rate is lower (for example, in Sweden 25%, in Spain 33%, in the Netherlands 35% and in Switzerland 40%).

In light of the above, it is clear that a comparison of the rate of disability pension recipients from among the working-age population in Israel versus all the OECD countries is too broad and therefore we chose to present a comparison of the rate of such recipients from the working-age population only in countries where all the residents are insured with regard to disability pension². The rate of general disability pension recipients in Israel is the lowest of all selected countries – perhaps influenced by the requisite threshold conditions for entitlement. However, if we look at all the disability pension recipients in Israel we obtain a figure that is 18% higher than the average in the OECD countries (Graph 1).

- **Pension level and manner of calculation**

Not only the entitlement conditions, but also the pension level and manner of calculation are not identical among the various countries:

In **Israel** the level of the general disability pension is set according to the degree of lost earning capacity and it is calculated as a percentage of the "basic amount". In **Sweden** the pension amount is set according to the degree of lost earning capacity and an increment is paid for each year of entitlement. In **Norway** – according to the number of years of residency, and an increment is paid that is set as a percentage of the pre-disability wage. In **Denmark** – according to the degree of lost earning capacity only, without increments³. In **Finland** the pension is composed of a basic amount that is set according to the number of years of residency and the family status and the amount is determined for each year of employment and dependent on age. In **Iceland** the pension amount is set according to the degree of incapacity, the number of years of residency, the pre-disability earnings and the number of children of the disabled person. In the **Netherlands** – according to the degree of incapacity, the pre-disability wage and the age. In **Switzerland** the amount depends on the number of years of insurance and wages during the pre-disability period.

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 2 The figure with regard to the rate of disability pension recipients in Iceland was not found.

3 Up to 2002 also in Denmark an increment was paid to disabled persons for their dependents.

In most of the countries where only employees are insured with regard to disability pension, the level of the pension depends on pre-disability wages or on the number of years of employment that preceded the disability.

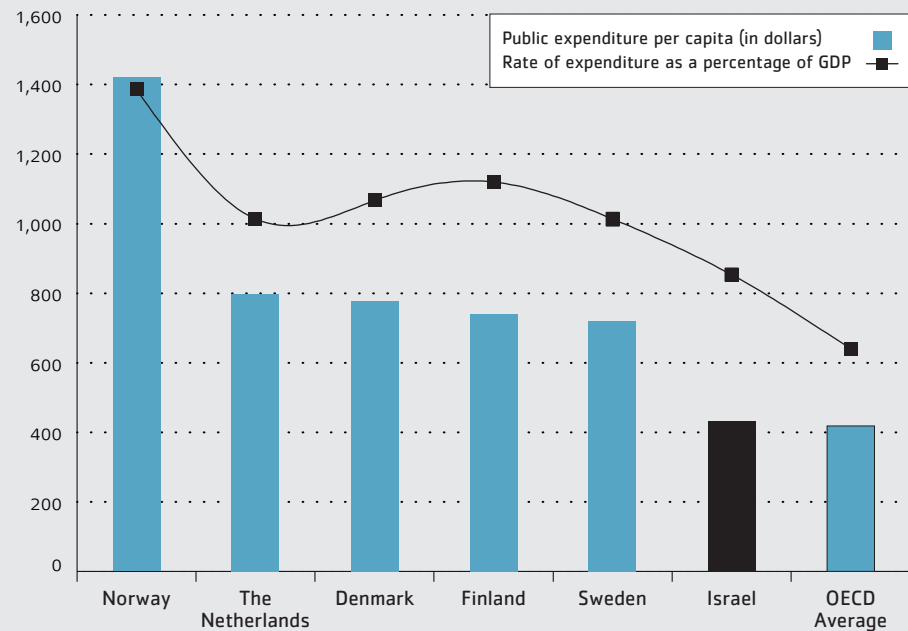
- **Receiving a pension and working**

Not in all the countries may a disabled person work while receiving a pension. In **Israel** it is possible to work and to receive a pension (or a part thereof) as long as the work income does not exceed 93% of the average wage (for an individual) or up to 130% thereof (in cases where an increment is paid for a spouse and/or children). Also in **Denmark, Iceland, Germany, Norway and Great Britain** it is possible to work and earn wages up to a certain ceiling (which varies among the different countries). In **Switzerland** and in the **Czech Republic** it is possible to work without any restriction. In **Sweden, Finland, Italy and Ireland** the disabled person is not allowed to work at all while receiving a pension.

- **Public expenditure on disability insurance**

The structure of the pension and the potential to integrate into the job market while simultaneously receiving a pension directly impact the pension level. Due to

Graph 2
Level of Public Expenditure on Disability Insurance and Rate of Public Expenditure on Disability Insurance per Capita as Percentage of the Gross Domestic Product, Israel and Selected Countries, 2011

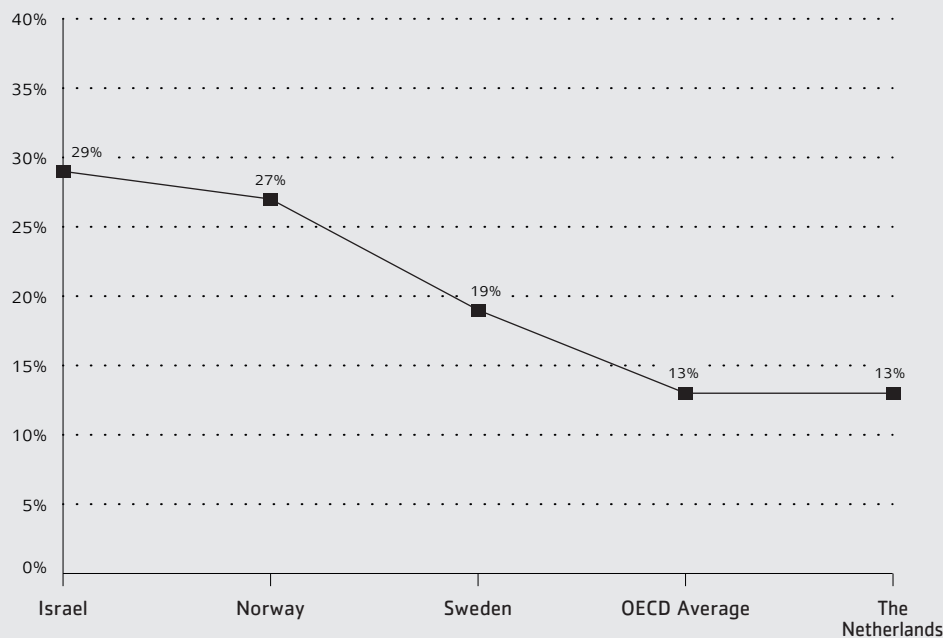


the problematic nature of such a comparison, we conducted a comparison of the public expenditure on disability insurance in Israel and in countries that are similar to it in the pension entitlement conditions, from among all the OECD countries. The pension per capita paid in Israel is the lowest among all the countries that are similar to it (both in dollars and as a percentage of the GDP)⁴, but compared to the average of all the OECD countries, the pension paid in Israel is higher (Graph 2).

The ability of the government to pay pensions is to a large extent contingent on its income. The funding entity of disability insurance in the various countries is not identical: In **Israel** disability insurance is funded through insurance contributions and the State Treasury and this is also the case in **Sweden, Norway, Switzerland, the Netherlands** and **Iceland**. In other countries (such as **Finland, Germany** and **Belgium**), disability insurance is funded solely by insurance contributions and in others (such as **Denmark**), it is wholly funded by the State Treasury.

Notwithstanding the difficulties entailed in such an examination, the ratio between the rate of public expenditure per capita on disability insurance and the rate

Graph 3
The Relationship between the Rate of Public Expenditure on Disability Insurance and Insurance Contributions, Israel and Selected Countries, 2011



4 The figure with respect to public expenditure on disability insurance in Switzerland was not found.

of insurance contributions paid in countries where disability insurance is funded by insurance contributions and the State Treasury (Graph 3) was examined in selected countries. In Israel this ratio is the highest – a fact that partially explains the pension level paid in Israel.

In conclusion, Disability Insurance in Israel encompasses a larger insured population than it does in most OECD countries and provides its insureds with a high monthly pension in comparison with the average in these countries – which is commensurate with the insurance contribution rate paid by the Israeli insured. Despite the constant need to improve, it appears that in the disability field, Israel provides its insureds with suitable insurance.

C. Attendance Allowance

1. Key elements of the Law

The attendance allowance (hereinafter: AA) is paid to insureds who require the assistance of another person with daily activities (dressing, eating, bathing, secretions and mobility within the home), or who require constant supervision to prevent endangerment to themselves or to others¹⁶.

Whoever resides in Israel and has not reached retirement age prior to submitting the claim may be entitled to the allowance, provided that they satisfy the following conditions:

- Disability pension recipients: If their medical disability rating is 60% or more (under the impairment sections recognized for AA), provided that they are not receiving a special work injury allowance or payment for personal care or household help pursuant to another law.
- Whoever requires dialysis (at least twice a week) or is undergoing active treatment for oncological diseases and depends on the assistance of others or has had an organ transplant (kidney, heart, pancreas, lung, liver) or who has undergone an autologous or unrelated donor bone marrow transplant.
- Blind persons for whom a medical disability of at least 90% has been established and who reside alone or with a blind spouse or who also have a hearing impairment at a rate of 50% or more.
- Whoever does not receive a general disability pension, if they satisfy one of the following conditions: (a) a medical disability rating of at least 75% has been established for them and their monthly work income is not higher than 5 times the

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 16 Similar to the entitlement conditions under the Long-Term Care Insurance Law, Section 223 of the National Insurance Law, (Consolidated Version), 5755-1995.

average wage (NIS 44,140 in 2013), provided that they do not receive a special work injury allowance or payment for personal care or household help pursuant to another law. (b) new immigrants (holding an immigrant certificate), for whom one year has not yet elapsed since the date of their immigration to Israel.

Whoever receives benefits under the Mobility Agreement is entitled to an attendance allowance only if a medical committee has determined that he has a limited mobility rating of 100% or that he is confined to a wheelchair or requires and uses a wheelchair.

Whoever was entitled to an attendance allowance prior to reaching retirement age is entitled at this age to choose between continuing to receive this allowance and receiving a long-term care benefit. Whoever is hospitalized in an institution where medical, long-term care or rehabilitation services are rendered is not entitled to the allowance.

The level of the attendance allowance is set relative to the full individual disability pension (25% of the “basic amount”) and an increment (additional monthly allowance –AMA) is also paid thereon. The allowance has three levels, determined according to the degree of dependence of the disabled person on the assistance of others (all the amounts are correct as of 2013¹⁷):

- Whoever requires a great deal of assistance in performing most of the daily activities during most hours of the day is entitled to a basic allowance at a rate of 50% of a full disability pension and to an AMA at a rate of 14% – totaling NIS 1,376 per month.
- Whoever requires a great deal of assistance in performing all the daily activities during most hours of the day is entitled to an allowance at a rate of 105% of the full individual disability pension and to an AMA at a rate of 28.5% – totaling NIS 2,868 per month.
- Whoever is totally dependent on another person in performing all the daily activities during all hours of the day is entitled to an allowance at a rate of 175% of a full disability pension and to an AMA at a rate of 42.5% – totaling NIS 4,674 per month.

2. Attendance allowance recipients

In December 2013, 42,054 people received an attendance allowance – approximately 8% more than in December 2012; For 5,517 of them this is the first year. There are several reasons for the growth in the number of allowance recipients: (a) The improved quality of medical care provided to seriously ill patients and prolonging their lives more than in the past, which is reflected by continued growth in the number of recipients defined as totally dependent on the assistance of others. (b) In general, an attendance allowance is paid from the 91st day of onset of the impairment, provided that the claim is submitted no later than within 15 months. From September 2012, disabled persons whose medical

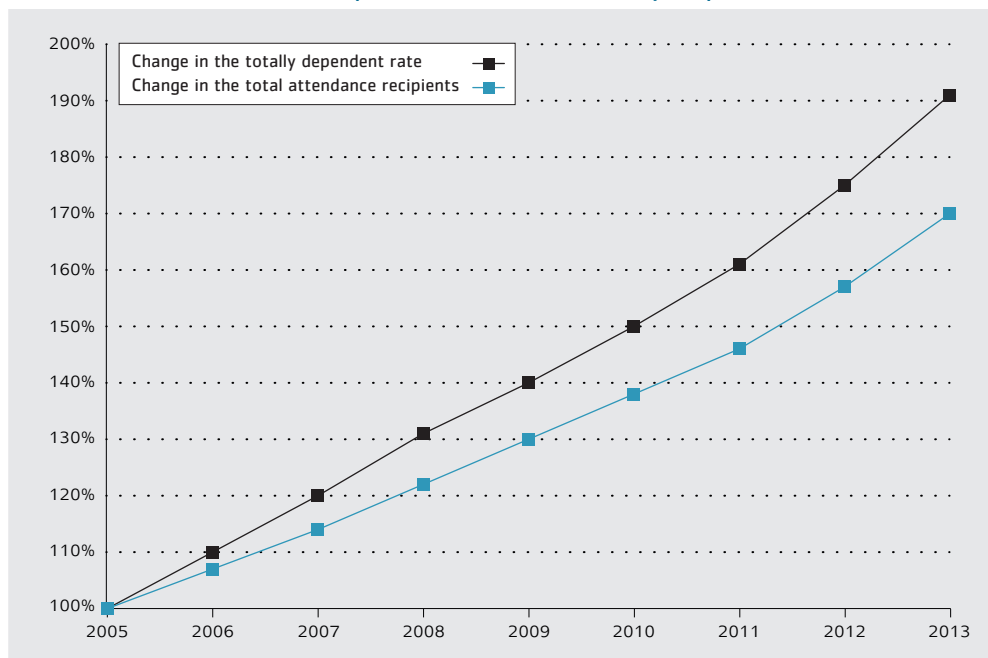
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17 These benefit rates have been in effect since January 2009. Up to then the allowance rates were 50%, 100% and 150% of a full individual disability pension.

disability rating is at least 75% and for whom entitlement of at least 6 months has been established are paid a pension from the 31st day.

As stated, most of the allowance recipients received more than one benefit – approximately 74% also received a disability pension (regular attendance) and another approximately 21% were also entitled to an old-age pension (elderly attendance allowance (Tables 2 and 7). The high rate of elderly is a result of the differences in the entitlement conditions between an attendance allowance and a long-term care benefit¹⁸, as well of a continued decrease in the mortality rates in Israel¹⁹.

Graph 3
The Change in the Number of Attendance Allowance Recipients
and in the Number of Recipients Defined as Totally Dependent, 2005-2013



A different distribution of impairments of attendance allowance recipients may be observed compared with that of general disability pension recipients: AA recipients have more neurological and internal problems and much fewer psychological problems or mental retardation (Tables 5 -17). One of the explanations for this is the medical disability threshold required for AA entitlement and the ADL criteria used to establish the entitlement, that test only difficulty in performing the five daily activities. Moreover, since about half of the special AA recipients work, internal or urogenital problems are more common with them than with the other two entitlement groups, whereas mental retardation or psychological problems are less common.

18 An attendance allowance is a monetary benefit and a long-term care benefit is usually in kind.
 19 See Leading Causes of Death in Israel, the Ministry of Health, July 2011.

Table 7
Attendance Allowance Recipients
by Entitlement Group and Primary Impairment
(absolute numbers and percentages), December 2013

Primary impairment		Total		Entitlement group (percentages)		
		Absolute numbers	Percentages	Regular AA	Special AA	Elderly AA
Total	Numbers	42,054		30,985	2,647	8,422
	Percentages		100	100	100	100
Psychological		3,077	7.3	7.5	2.4	8.2
Mental retardation		3,632	8.6	11.2	0.5	1.8
Internal		9,135	25.1	23.1	45.5	25.8
Urogenital		3,410	8.1	8.0	12.8	7.0
Neurological		14,540	34.6	35.2	26.2	35.0
Locomotor		3,589	8.5	8.0	6.7	10.9
Sensory		3,166	7.5	6.7	5.4	11.0
Other		103	0.2	0.2	0.6	0.3

Table 8
Attendance Allowance Recipients by Age
and Grounds of Entitlement (absolute numbers and percentages), December 2013

Grounds of entitlement		Total		Age (percentages)					
		Absolute numbers	Percentages	24-18	25-34	35-44	45-54	55-64	65 and over
Total	Numbers	42,054		3,641	3,976	4,841	7,331	13,809	8,456
	Percentages		100	8.7	9.5	11.5	17.4	32.8	20.1
Undergoing active treatment		1,692	100	2.7	7.3	19.1	27.5	38.4	4.9
Underwent transplant		174	100	8.0	16.7	20.7	22.4	27.0	5.2
Require dialysis		2,719	100	2.0	7.0	13.2	23.9	37.3	16.6
Suffer from blindness		1,430	100	5.1	10.8	13.8	21.5	25.8	23.0
Require assistance with most daily activities		9,520	100	6.3	10.5	11.1	14.7	30.9	26.6
Require assistance with all daily activities		12,127	100	6.8	8.0	10.9	18.3	35.6	20.5
Totally dependent on others		14,392	100	14.1	10.5	10.7	15.7	31.1	17.8

Approximately 14% of AA recipients are entitled to the allowance due to special medical conditions (6,015 out of 42,054) (Table 8)²⁰, their number increases with age and

20 It should be noted that AA recipients who have one of the automatic grounds (blindness or disabled persons who have undergone special medical treatment) and whose serious medical condition confers on them an allowance at a higher rate than set forth in the regulations, are counted as dependent on others.

Table 9
Attendance Allowance Recipients by Medical Disability Percentage,
Family Status and Assisting Entity
(absolute numbers and percentages), December 2013

Family status	Assisting entity	Total		AA medical disability (percentages)			
		Absolute numbers	Percentages	60-69	70-79	80-89	90-100
Total	Absolute numbers	42,054		4,094	5,850	7,120	24,990
	Percentages		100	9.7	13.9	16.9	59.4
Married	Total	21,435	100	8.0	11.5	17.8	62.8
	Employ a foreign worker	2,355	100	4.4	7.9	18.0	69.7
	No foreign worker	19,080	100	8.4	11.9	17.7	61.9
Unmarried	Total	20,619	100	11.5	16.4	16.1	55.9
	Employ a foreign worker	2,889	100	4.9	9.7	15.2	70.2
	No foreign worker	17,730	100	12.6	17.5	16.2	53.6

people aged 55-64 constitute one third of the recipients. Among those who are totally dependent on others, the high rate of young people is prominent – inter alia, due to high representation of those suffering from neurological problems. On the other hand, among people aged 65 and over the rate of those undergoing active treatment or a transplant decreases, since an allowance is paid on these grounds for a temporary period only.

The medical condition of attendance allowance recipients is more severe than that of the other disability pension recipients: approximately 59% of them have a medical disability percentage higher than 90% (compared with approximately 17% among disability recipients) (Table 9)²¹. Half of the recipients are married and approximately 12.5% employ a foreign worker. As expected, among those who employ a foreign worker, the rate of persons with a disability degree over 90% is even higher – approximately 70%. One third of allowance recipients are defined as alone (which confers on them other benefits), since they are not married or they reside with a spouse who is also disabled.

D. Benefit For Disabled Child

1. Key elements of the Law

The benefit for disabled child is intended to assist the family caring for a child with special needs with the expenses entailed with the child's formidable personal and nursing care and with any other care that is intended to improve his functioning and to encourage the family to care for the child within the framework of the home and the community.

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 21 See Table F/1 in the Appendix.

The process of determining the benefit entitlement has two stages. In the first stage, the claims officer verifies that the preliminary entitlement conditions are satisfied: The child, as defined under the National Insurance Law, has not yet reached the age of 18, he is a child of an insured (or of someone who was insured and died while being an Israeli resident)²² and he is not in the custody of a foster family²³ or in an institution (under dormitory conditions where therapeutic, nursing or rehabilitation services are provided)²⁴.

In the second stage, a pediatrician examines the child on behalf of the NII and determines whether he satisfies one of the following conditions:

- **The child depends on the assistance of others:** A child who has reached the age of 3 and as a result of an illness, syndrome, accident or congenital defect is dependent on the assistance of others in performing daily activities (dressing, eating, bathing, personal hygiene and mobility in the home) in a manner that exceeds what could be expected for a child his age.
- **The child requires constant attendance or constant supervision:** A child who is 90 days old and due to a severe medical impairment, serious chronic illness, severe behavior disorder or mental retardation he cannot be left without constant supervision or he requires the constant attendance of others, to prevent him from endangering himself or others.
- **The child suffers from a special impairment prescribed by regulations²⁵:** Developmental delay; assistance with communication; hearing loss; visual impairment; autism or psychosis; Down syndrome.
- **The child requires special medical treatment:** He is 90 days old and due to a chronic illness he requires special medical treatment (as detailed in the Law).

In recent years, a number of changes have been made in the benefit for disabled child, which have led to an expansion in the number of entitled persons and to an increase in the monthly pension paid them. The prominent changes are implementation of the Or-Noy committee recommendations, under which the number of grounds entitling to a pension increased; the increment for maintenance allowance and scholastic assistance was unified to a level of 20% of the full benefit level, the increment was provided to all benefit recipients; and the benefit rate paid to children who are totally dependent on the assistance of others was increased.

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22 Including stepchildren or adopted children who have not yet turned 18 years old.

23 A foster family that has custody of a child with special needs is entitled to support from the Ministry of Welfare and Social Services.

24 Save special cases where the child is held in an institution and his parents bear all the expenses of his maintenance.

25 A child who has been found entitled to a benefit under this category may receive a benefit for disabled child from the day of his birth.

Pursuant to the Disabled Child Regulations, the benefit amount is set as a percentage of a full individual disability pension for each impairment category²⁶. Under the amendments, three basic benefit entitlement levels were established: 50%, 100% and 128%. A child who satisfies more than one entitlement condition is entitled to one benefit at the highest rate. The basic monthly benefit amount for a child receiving a benefit at a rate of 100% was NIS 2,149 in 2013, to which was added an additional monthly pension (AMP) at a rate of 17% of a full individual pension: NIS 365 per month in 2013.

A family with two or more children receiving a benefit for disabled child is entitled to a benefit at a 50% increased rate (of the benefit rate for each child) for each one of the children. Families with two children with special needs, where one of them is not entitled to a benefit (since he lives in an institution or he is over 18 years of age and until he reached age 18 a benefit was paid for him), is also entitled to benefit at an increased rate for the child.

For children who have turned 18 and may be entitled to a disability pension or to an AA, the NII initiates a claim on their behalf in order to exhaust their rights to these benefits. The benefit payment continues for three months after they turn 18, so as to maintain continuity of payments to the family.

2. Benefit for disabled child recipients

A national study on children with disabilities in Israel, which was carried out in 1995 – 1997 by NII and the JDC-Brookdale Institute, revealed that 7.7% of children in Israel suffer from a chronic dysfunction or require ongoing medical care for a year or more. According to this estimate, in December 2013 approximately 200 thousand children with special needs lived in Israel and 37,965 of them received a benefit for disabled child – a number approximately 14% higher compared to the number of recipients in 2012. The main reason for the increase in the number of entitled persons is the reinstatement of the supervision grounds in the list of grounds entitling to a benefit (the number of children requiring supervision grew twofold last year).

The rate of change in the number of benefit for disabled child recipients is higher than that of the number of all children in Israel and it has increased even more sharply since implementation of the Or-Noy Committee recommendations (Graph 4).

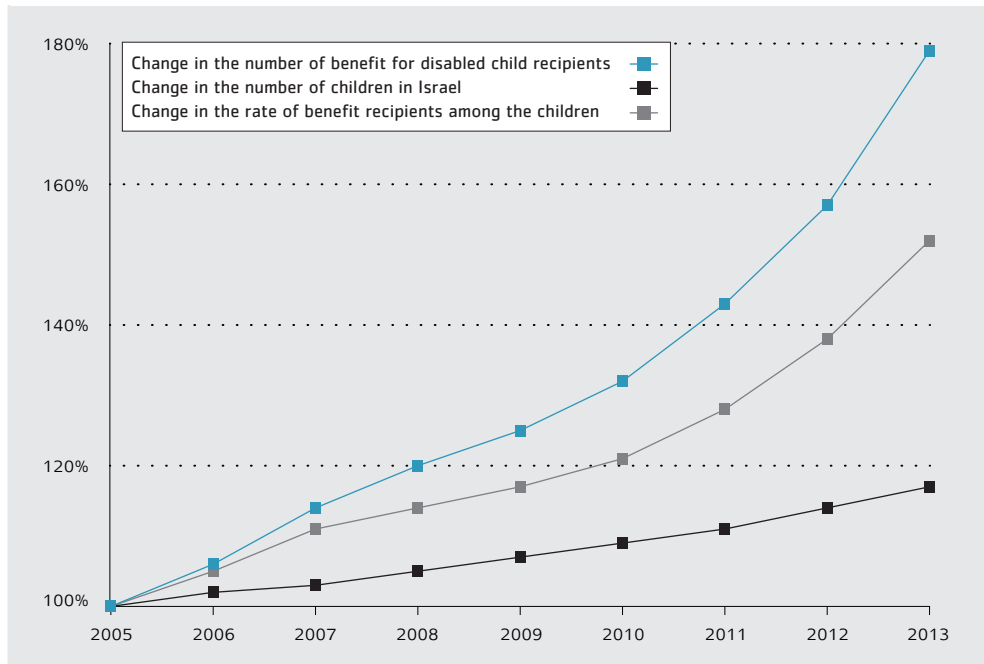
Similar to the general distribution of children with special needs²⁷, approximately 2/3 of the benefit for disabled child recipients from age 3 are boys (Table 10), this disparity

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26 As opposed to a disability pension, which is influenced by medical disability percentages and the degree of incapacity, there is no difference between benefit for disabled child recipients who are entitled on the same grounds. The benefit rates appear in the National Insurance (Disabled Child) Regulations, 5770-2010, Section 2: Benefit for Special Arrangements.

27 Naon et al. (2000). Children with Special Needs: Needs Assessment and their Coverage by Services. JDC – Brookdale Institute and the National Insurance Institute of Israel.

Graph 4
Benefit for Disabled Child Recipients and
Development of the Child Population, 2005-2013



between boys and girls originating mainly in the number of entitled persons with the special impairment – the prevalence of autism among boys is higher than among girls. The main entitlement ages are 6 – 13, due to the benefit entitlement definitions, which examine the child’s care compared to what could be expected for a child his age²⁸ and influenced by the minimum age set in the regulations for some of the grounds.

Caring for a child with special needs poses difficulties for the parents and caring for more than one disabled child makes it many times more difficult. In 2013 there were 2,212 families with more than one child receiving a benefit for disabled child (totaling 6,058 children), 280 of them having at least three children with special needs. The distribution of the common Impairments among these children reveals that in approximately 22% of the families the children suffer from hearing problems, in 24% there are two or more children with autism, in approximately 5% there are children with visual impairment and in 34% of the families there are children who are dependent on the assistance of others or require constant attendance.

About 3% of the benefit recipients employ a foreign worker – more than half of them do so since they are totally dependent on others for all daily activities (they can

28 Due to the natural development of the child, the effect of the disability is especially evident when he is an infant and diminishes as he matures.

Table 10
Benefit for Disabled Child Recipients by Age, Gender
and Entitlement Group (absolute numbers and percentages), December 2013

Gender	Entitlement group	Total		Age (percentages)				
		Absolute numbers	Percentages	Up to age 3	3-5	6-9	10-13	14-17
Total	Numbers	37,965		2,995	6,702	9,596	9,735	8,937
	Percentages		100	100	100	100	100	100
Boys	Total	24,681	65.0	58.9	66.3	68.0	64.9	63.0
	Children dependent on the assistance of others	4,597	12.1	.	8.7	13.2	13.6	15.9
	Children requiring constant attendance or supervision	4,095	10.8	10.9	9.5	12.2	11.5	9.5
	Children with a special impairment	12,731	33.5	31.0	40.0	35.4	31.4	29.9
	Children requiring special medical treatment	3,258	8.6	16.9	8.1	7.3	8.4	7.7
Girls	Total	13,284	35.0	41.1	33.8	33.0	35.7	38.0
	Children dependent on the assistance of others	3,295	8.7	.	6.7	8.0	10.6	11.7
	Children requiring constant attendance or supervision	2,265	6.0	7.4	6.2	6.1	5.7	5.5
	Children with a special impairment	5,110	13.5	21.2	14.5	11.6	12.1	13.6
	Children requiring special medical treatment	2,614	6.9	12.4	6.4	6.3	6.8	6.2

Table 11
Benefit for Disabled Child Recipients by Basic Benefit Rate,
Assisting Entity and Number of Disabled Children in
the Family (absolute numbers and percentages), December 2013

Employment of foreign worker		Total		Basic benefit rate (percentages)		
		Numbers	Percentages	50%	100%	128%
Total	Numbers	37,965		9,861	22,864	5,240
	Percentages		100	26.0	60.2	13.8
Employ a foreign worker	Total	1,166	100	3.9	38.3	57.7
	Of them: Recipients of an increased benefit for families of disabled children	190	100	5.3	42.1	52.6
Do not employ a foreign worker	Total	36,799	100	26.7	60.9	12.4
	Of them: Recipients of an increased benefit for families of disabled children	5,597	100	19.8	68.0	12.2

be identified according to the benefit rate – 128%) (Table 11). The rate of children for whom a family increment is paid is nearly identical among those who employ and those who do not employ a foreign worker; however, in 2013 the number of families receiving a family increment whose children are totally dependent on others and who employ a foreign worker increased by some 10%. The increase of the benefit may have enabled more families to fund the cost of employing said worker.

Box 2

Children on the Autism Spectrum who Receive a Benefit for Disabled Child

Autism is a developmental disorder from the autism spectrum disorder – ASD – group. It is currently accepted to view this disorder as one of the pervasive developmental disorders – PDD – manifested in almost all the measures of child development: delays and difficulties in social interactions and language, and at a high rate also in cognitive, motor and sensory capabilities, and delays and difficulties in the mental capabilities of the child and in his behavior patterns reflected in play and in language. Medicine currently assumes that genetic, metabolic and environmental factors cause the onset of autism¹.

Development of Persons Entitled to A Benefit in Respect of Autism

Until 2006, clear guidelines had not been issued for diagnosing children on the autism spectrum and therefore not all children with autism received a benefit for disabled child. In a petition to the High Court of Justice, filed in September 2006 by the Israel Society for Autistic Children (ALUT) and the Association for Children at Risk (HCJ 7879/06) against the NII, the Institute was requested to grant a benefit at a rate of 100% to all children with autism, alleging that the National Insurance Regulations do not differentiate between children with autism at different functional levels². NII alleged in response that not all the children who are diagnosed as afflicted with autism spectrum impairment have a similar disability, and therefore automatic recognition of their benefit entitlement is inappropriate. In 2006 an interim order was handed down, whereby every child who is diagnosed as suffering from autism spectrum impairment will be entitled to a benefit at a rate of 100%, which is granted under the National Insurance Regulations.

In May 2008 the Minister of Welfare and Social Services at the time, Yitzhak Herzog, appointed a committee of experts, headed by Prof. Avraham Steinberg,

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1 From <http://www.wikirefua.org.il> - Autism

2 National Insurance (Maintenance Allowance, Scholastic Assistance and Arrangements for a Disabled Child) Regulations, 5758-1998; a child suffering from autism or from psychosis as well as a child in a psychiatric – behavioral condition that is similar to the aforesaid impairments.

to discuss the professional aspect of the issues raised in the petition. The letter of appointment authorized the committee to examine the question of whether all children suffering from an autism spectrum disorder (PDD or ASD, including PDD NOS³ and Asperger's syndrome), have a similar psychiatric-behavioral condition. The committee was also requested to state its opinion with regard to the tests that should be conducted in order to diagnose children suffering from such impairments and with regard to the feasibility of granting them a gradual benefit, depending on the findings determined by those tests.

The Steinberg committee determined that the regulations “clearly include the entire autism spectrum, including PDD NOS and Asperger's syndrome”. It recommended that all children up to age 7 who were diagnosed as autistic be granted a full benefit. In contrast, for children aged 7 or more it was recommended to grant a gradual full benefit, depending on the severity of their dysfunction and irrespective of the specific diagnosis within the autism spectrum. In 2009, NII adopted the committee report and conclusions, including its determination with regard to the correct and proper manner of diagnosing children with autism. Notwithstanding, to date the diagnostic methods for differentiating between children within the autism spectrum have not been agreed upon⁴.

The Growth in the Number of Children with Autism

In recent years, there has been epidemiological evidence of a natural growth in the number of children with autism. There are several reasons for this:

- As part of the increased awareness of medical problems in general and the importance of early treatment, there is rising awareness of disorders within the autism spectrum, reflected in the growing number of mild autism diagnoses (mainly among boys).
- Medical development has led to a lowering of the age at which an autism disorder may be diagnosed: In the past it was common to diagnose around the age of 8, while presently many children are already diagnosed at age 3 (this fact influences the length of their stay in the NII system).
- The average birth age, both among women and among men, increases over the years. In the medical literature there is evidence of the effect of the birth age on the quality of the egg and the sperm and consequently also on the increased probability of health problems.

3 Pervasive Developmental Disorder Not Otherwise Specified.

4 From: <http://www.abiliko.co.il> – History of Autism in Israel and in the World.

NII data shows that one birth out of 200 live births is of a child with autism. In December 2013 10,270 such children, constituting approximately 27% of all benefit recipient children and 0.4% of all children in Israel, received a monthly benefit.

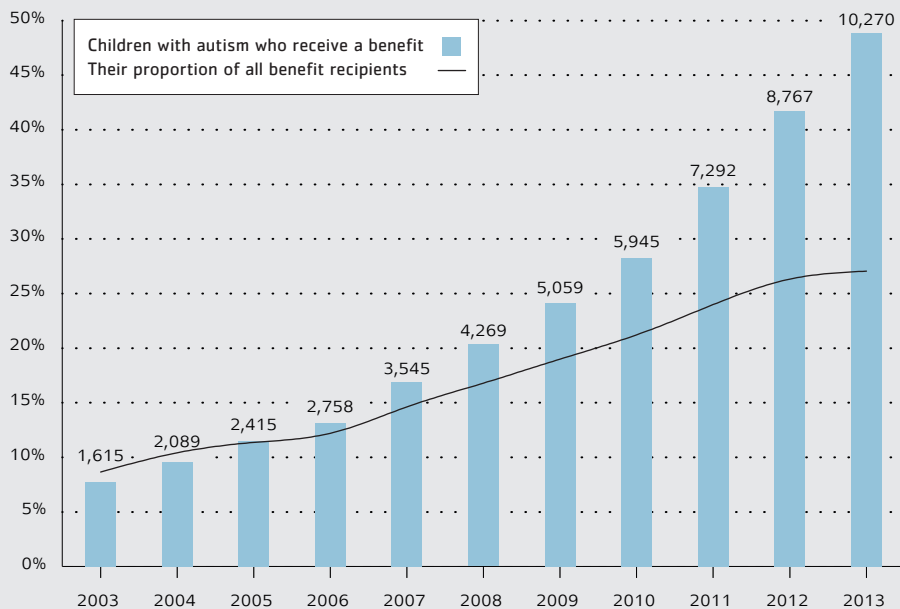
The Growth in The Number of Children with Autism who are Entitled to a Benefit

Apart from the natural growth in the number of children with autism, we can identify the direct effect of the interim order and the Steinberg committee conclusions on the number of children receiving a benefit in respect of autism (Graphs 1 and 2). Since the order was issued, the annual growth of this rate has increased twofold. The stabilization of this rate for all children receiving a benefit for disabled child in 2013 is attributed to implementation of the Or-Noy Amendments, under which the number of all persons entitled to a benefit for disabled child has increased.

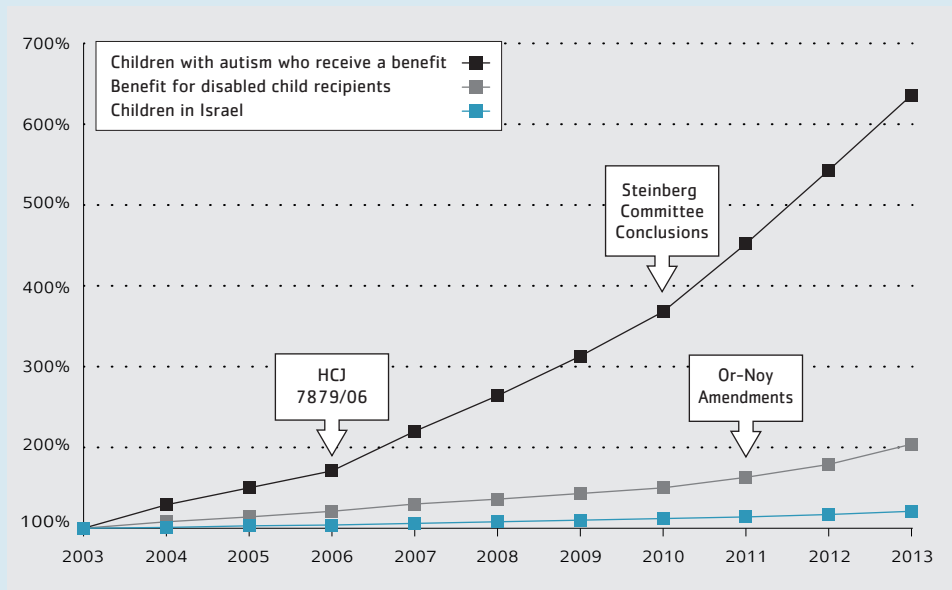
Select Characteristics of Children with Autism

There is a high rate of boys among children with autism compared to their proportion of the child population (84% compared with 51%) – a known phenomenon for which a cause has not yet been found (Graph 3).

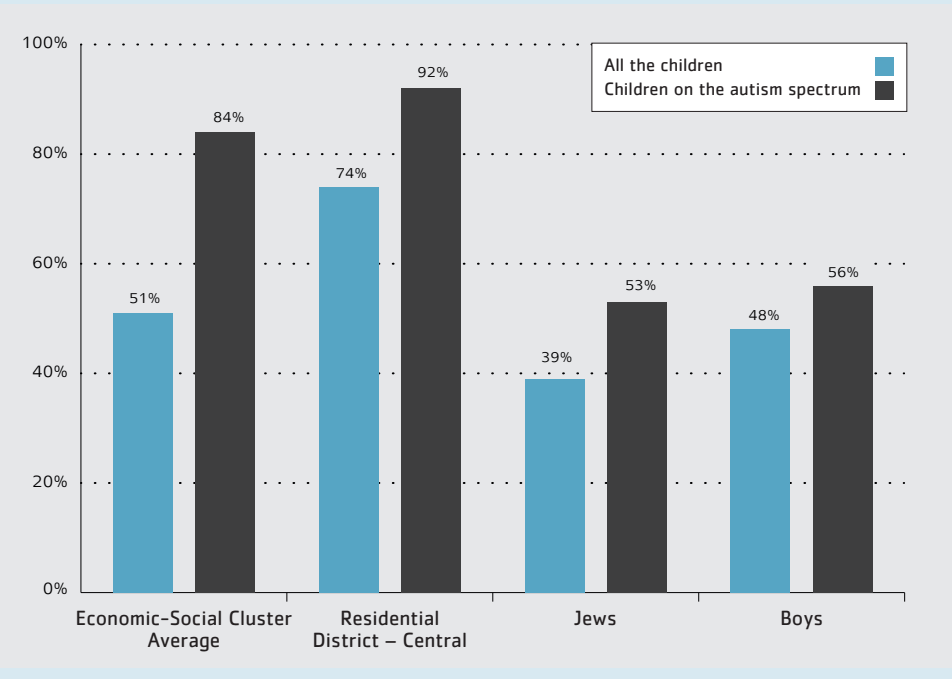
Graph 1
Children with Autism Who Receive a Benefit for Disabled Child and their Proportion out of all Benefit Recipients, 2003-2013



Graph 2
The Rate of Change in the Number of Benefit for Disabled Child Recipients, the Number of Children with Autism who Receive a Benefit and the Number of Children in Israel, 2003-2013



Graph 3
Select Characteristics of Children with Autism and Children in Israel, December 2013



There are also high rates of children with autism among Jewish children, children who reside in Central Israel (Tel Aviv and Central District) and children belonging to a higher socio-economic status. A relatively low rate has been found in northern Israel and in the Jerusalem⁵ area. The differences between the areas may be related to the awareness of this disorder not being identical in all parts of the population in Israel.

Currently, the Research and Planning Administration of NII is a partner and supporter of three studies of children with autism in Israel: (a) Autism in children born in 1992–2009. (b) Effect of air pollution on autism among children born in 2000–2009. (c) The probability of autism within families who already have a child diagnosed with autism. These studies and others in the field are intended to expand the knowledge with respect to this phenomenon whose incidence has grown in recent years.

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5 It is unclear which came first – the place of residence of the children with autism may be influenced by the geographic dispersion of the treatment centers of said children, but perhaps the dispersion of the treatment centers is actually influenced by the place of residence of the children.

D. Benefit For Persons With Limited Mobility

1. Key elements of the Law

The mobility allowance confers benefits on disabled persons with leg impairments that limit their mobility²⁹. The allowance is paid from State Treasury funds pursuant to an agreement between the Ministry of Finance and the National Insurance Institute of Israel.

A person with limited mobility is an Israeli resident aged 3–67³⁰ for whom a medical committee of the Ministry of Health has established a permanent mobility limitation rating of at least 40% – for holders of a valid driver’s license, or a permanent limitation rating of at least 60%– for those who do not have a driver’s license.

Persons with limited mobility are granted the following benefits:

- **Monthly allowance** – to subsidize the expenses of vehicle use³¹ (for vehicle owners) or mobility (for those without a vehicle)³². A person whose home is more than 40 kilometers distant from his workplace, round trip, is entitled to an allowance increment. Only a person with limited mobility defined as a wage earner is entitled to a full benefit³³.

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29 Subject to the list of impairments appearing in Addendum “A” to the Mobility Agreement.

30 In the Mobility Agreement there is no differentiation between men and women.

31 Expenses for fuel, insurance of the vehicle and its accessories, repairs and services and protective measures.

32 The allowance is updated from time to time according to the rate of increase of vehicle maintenance expenses.

33 A wage earning person with limited mobility is someone who works and earns at least 25% of the average wage, or who has an 80% or more mobility limitation, or who is entitled to a vehicle and special accessories. A non-wage earning person with limited mobility is entitled to 50% of the full benefit.

- **Standing loan** – extended to a new vehicle purchaser, for full or partial financing of the taxes due on the vehicle³⁴. The loan amount is the same as the tax due on the determining vehicle (as defined by law) prescribed for the disabled person and no more than the tax due on the purchased vehicle. The loan is repaid to the Institute subject to the established rules.
- **Loan fund** – someone who the medical committee has determined requires and uses a wheelchair and who the Medical Institute for Road Safety has determined requires a specially accessorized vehicle³⁵, or who has a limited mobility rating of at least 90%, who possesses a driver's license and who studies / works/ is in the process of rehabilitation – is entitled to assistance in purchasing the first vehicle at a rate of 80% of the value of the vehicle, without taxes³⁶.
- **Loan for purchasing and installing accessories in a vehicle**³⁷ – whoever requires and uses a wheelchair is entitled to a loan to finance the special accessories required to use the vehicle, if the Medical Institute for Road Safety has determined that he requires a specially accessorized vehicle. If he possesses a driver's license, he is entitled to assistance in purchasing a lift mechanism as well.
- **Reimbursement of expenses for purchasing and installing accessories in a private vehicle** – a person with limited mobility who possesses a valid driver's license who the Medical Institute for Road Safety has determined requires additional accessories for driving, travel safety and using the vehicle – is entitled to reimbursement of expenses for the installed accessories.

It should be noted that the benefits granted to a person with limited mobility are not discontinued when he reaches the age of 67. However, in situations where he is entitled to mobility subsidies under other laws his entitlement to benefits under the Mobility Agreement is negated. In these situations, the person with limited mobility is not entitled to the aforementioned benefits and he must choose one benefit: (a) He receives an attendance allowance at a rate of less than 100% and has an established 100% mobility limitation or he does not require and use a wheelchair. (b) He receives a benefit for disabled child and he has not yet reached the age of 3, or he has reached the age of 3 and does not have an established mobility limitation of higher than 80%, or he does not require and use a wheelchair.

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34 A standing loan to replace a vehicle is granted to a person with limited mobility who possesses a driver's license only if 42 months have elapsed from the date of receiving the previous loan: For a person with limited mobility that does not have a driver's license – only if 48 months have elapsed; for a specially accessorized vehicle owner – only if 60 months have elapsed from the date of receiving the previous standing loan. If the vehicle has been stolen or completely damaged in an accident or there has been deterioration in the medical condition and the Medical Institute confirmed that the vehicle should be replaced, a new standing loan may be received.

35 A specially accessorized vehicle is a vehicle that may be entered or driven while seated in a wheelchair.

36 These amounts turn into a grant on expiration of 5 years.

37 Level of the loan – 95% of the value of the accessories and the cost of installing them, including the taxes due on them; and it is provided for new accessories only.

A family with two or more children each of whom has an established mobility limitation of at least 80% or it has been determined that they are incapable of walking on their own and they reside in the same apartment, may be entitled to both a benefit for disabled child and to benefits under the Mobility Agreement, even if the children have not yet reached the age of 3.

2. Mobility allowance recipients

In December 2013 36,074 people received benefits – a growth of 4% compared to 2012. The rate of growth in the number of persons entitled to mobility allowance diminishes over the years. Approximately 69% of allowance recipients receive an additional benefit from the Disability branch and 2,097 more are entitled to a disability pension from the Work Injury branch (Tables 2 and 3). We may assume that the other entitled persons who do not receive an additional benefit earn a high wage that negates a benefit or they are forced to relinquish other benefits due to the duplication with mobility.

Table 12
Mobility Allowance Recipients, by Driving Status, Vehicle Ownership and Vehicle Size (absolute numbers and percentages), December 2013

Vehicle ownership	Engine capacity	Total		Driving status (percentages)	
		Absolute numbers	Percentages	Driver	Non-driver
Total	Absolute numbers	36,074		20,670	15,404
	Percentages		100	57.3	42.7
Vehicle owners	1300	10,277	100	79.3	20.7
	1800	9,889	100	88.3	11.7
	2000	1,712	100	81.3	18.7
	2500	322	100	98.4	1.6
	Van	6,823	100	30.5	69.5
No vehicle		7,051	100	.	100

An examination of the benefits for persons with limited mobility in other Western countries shows that only in a few countries there is a benefit specific to persons with limited mobility as there is in Israel. The main explanation for this is that in most of the countries the compensation for persons with limited mobility is incorporated as part of the benefits paid to those who are dependent on others (comparable to an attendance allowance in Israel). Compared to countries where separate compensation is paid to persons with limited mobility, Israel is the world leader in diversity and scope of benefits paid, by a substantial lead over the others. The explanation for this is the low quality of accessible public transportation in Israel in contrast with many countries and the multiple options abroad: inter-city and city rail, bus lines and shuttle services – city, inter-city and dedicated.

As stated, the scope of benefits paid to a person with limited mobility depends on whether he owns a vehicle, the vehicle size determined for him (classified by

engine capacity) and his degree of independence (whether or not he drives himself). Approximately 80% of persons with limited mobility are entitled to a benefit as vehicle owners and approximately 36% of them have a small vehicle (with engine capacity of up to 1300 cc) (Table 12). Slightly more than 71% of persons with limited mobility who own a vehicle drive themselves, except for van owners, most of who sit in a wheelchair in the van, as a result of their serious medical condition.

In recent years, the rate of limited persons who own a private vehicle has decreased and the rate of those in possession of a specially accessorized vehicle has increased, inter alia due to the scope of benefits for such vehicle owners (Graph 5). This fact naturally increases public expenditure on Mobility Insurance.

The degree of dependence of the person with limited mobility on a wheelchair has a decisive influence on the rate of his limitation and on the vehicle size determined for him. Approximately 92% of persons with limited mobility, men and women, are confined to a wheelchair and about another 50% of those who require and use a chair have a limitation rating higher than 90%. The high rate of men entitled to a benefit is also prominent (Table 13).

Approximately one third of the allowance recipients are of non-working age, one third of them being children (Table 14). Most persons with limited mobility suffer from lower limb paralysis (67%). as the younger the age, the higher the rate of paralysis and the

Graph 5
Number of Specially Accessorized Vehicle Owners
and their Proportion of all Vehicle Owners, 2006-2013

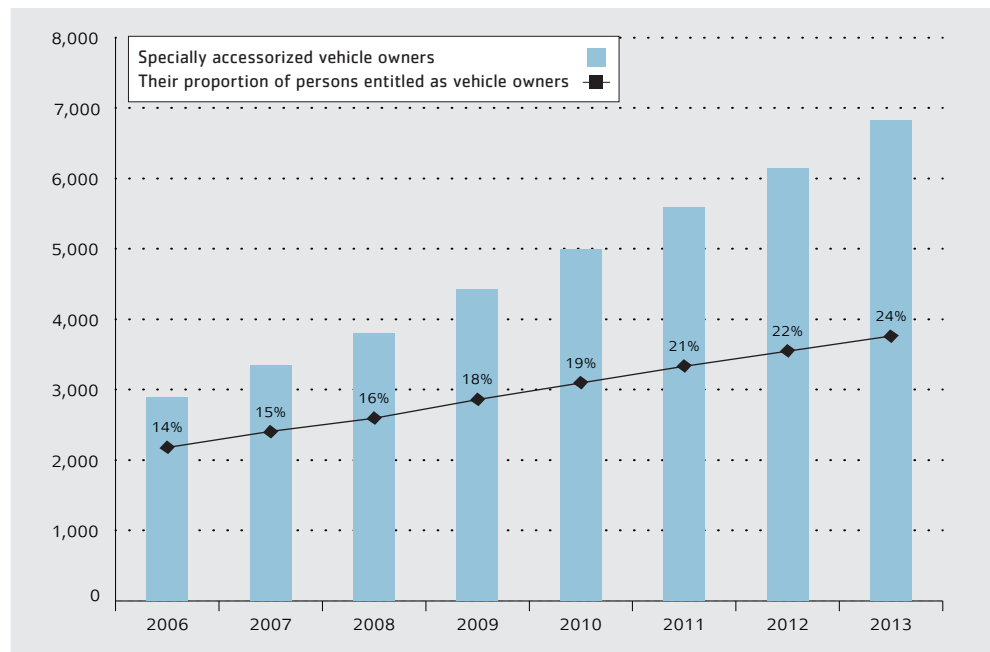


Table 13
Mobility Allowance Recipients by Limitation Percentage, Gender and Wheelchair Dependence (absolute numbers and percentages), December 2013

Gender	Wheelchair dependence	Total		Limitation (percentages)					
		Absolute numbers	Percentages	40-49	50-59	60-69	70-79	80-89	90-100
Total	Absolute numbers	36,074		3,222	3,432	3,051	4,142	9,597	12,630
	Percentages		100	9	10	8	11	27	35
Men	Total	22,345	100	11	10	9	12	27	32
	Confined	4,218	100	0	0	0	0	8	91
	Require and use	5,110	100	2	1	6	6	36	49
	None	13,017	100	17	17	12	18	29	7
Women	Total	13,729	100	6	9	8	11	27	39
	Confined	3,063	100	0	0	0	0	7	92
	Require and use	3,802	100	1	2	6	6	34	51
	None	6,864	100	11	16	13	19	31	9

lower the rate of those suffering from other impairments, since adults suffer also from limitations that develop with age, while most of the children suffer from congenital defects.

The mobility allowance is intended, inter alia, to enable its recipients to maintain a normal lifestyle, including integration in employment. Furthermore, someone whose home is more than 40 km distant from his workplace, round trip, is entitled to a pension increment as compensation for the additional fuel expense. Nevertheless, only approximately 17% of allowance recipients work, most of them close to their place of residence (17% of the workers are paid an allowance increment due to the distance between their place of residence and their workplace).

Table 14
Mobility Pension Recipients by Age and Primary Impairment (absolute numbers and percentages), December 2013

Primary impairment	Total		Age (percentages)						
	Absolute numbers	Percentages	3-17	18-29	30-39	40-49	50-59	60-66	67 and over
Total	Numbers	36,074	4,475	3,334	3,376	4,014	6,816	7,987	6,072
	Percentages		100	100	100	100	100	100	100
Paralysis	24,167	67	96	86	75	64	62	61	46
Limited joint mobility	4,591	13	1	5	10	13	14	17	20
Arterial insufficiency	1,905	5	.	0	0	2	6	8	13
Amputation	1,541	4	1	2	4	6	6	4	6
Sprains	1,287	4	1	2	4	6	5	3	4
Pseudoarthrosis	1,127	3	0	1	2	4	4	3	5
Sclerosis	945	3	0	1	2	3	3	4	5
Other	511	1	1	3	3	2	1	1	1

F. Compensation To Tinea Capitis Victims

1. Key elements of the Law

The Tinea Capitis Victims Compensation Law passed by the Knesset In 1994 was intended to compensate persons who received radiation treatment for scalp ringworm (Tinea Capitis) between January 1, 1946 to December 31, 1960 by the State, the Jewish Agency, the sick funds or the Hadassah Medical Organization and they have contracted one of the diseases specified in the Law. The compensation is funded by the State Treasury and is paid by the National Insurance Institute of Israel.

Pursuant to the Law, a benefit entitled person is an Israeli resident who had contracted scalp ringworm³⁸ (Tinea Capitis) and an expert committee determined that pursuant to the radiation treatment he suffers from any type of cancer in the head and neck area or from benign brain tumors or from leukemia, or he suffers from baldness in the scarred areas of the scalp and his medical disability rate is 5% or more.

The regulations that were promulgated regulate the victim compensation: lump-sum compensation, monthly pension and grant in lieu of pension or grant to survivors as defined by law. The entitlement under the Tinea Capitis Victims Compensation Law does not derogate from the rights of the entitled persons to other benefits from the NII and is not age-dependent.

The payments provided under the Law are as follows (the amounts are correct as of 2013):

- **Monthly pension:** A patient with 40% or more medical disability is entitled to a monthly pension at a level of 25% of the average wage (pursuant to the National Insurance Law) multiplied by the medical disability percentages. The pension amount for 100% degree of disability – NIS 2,207.
- **Lump-sum compensation:** A patient with a medical disability of 75% or more is entitled to compensation in the amount of NIS 187,331; a patient with a medical disability of 40% - 75% is entitled to half the amount: NIS 93,666.
- **Grant in lieu of pension:** A patient with a medical disability of 5% - 39% is entitled to a lump-sum compensation, calculated as a percentage of the full pension amount (depending on the medical disability percentages established for him), and multiplied by 70.
- **Grant to survivors:** A spouse of a patient who has a child therewith is entitled to a grant at a level of 36 full monthly pensions – NIS 79,452; a spouse of patient who does not have a child therewith or a child of a patient are entitled to receive 60% of the full survivors' compensation amount – NIS 47,671.

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38 Tinea Capitis is a fungal skin disease that generally causes skin spots and irritations. Today, pills or ointments are used to treat the disease, but until 1959 there was no effective pharmacological treatment and x-ray radiation was used, the side effects of which proved to be severe.

2. Recipients of the benefit for Tinea Capitis victims

At the end of 2013, the number of monthly pension recipients under the Tinea Capitis Victims Compensation Law reached 4,284 – these are the serious patients who suffer from the disease and its metastases (Table 15). 265 of them first began receiving a pension in 2013. The average age of the entitled persons (68.2) is quite high as a result of the entitlement periods established by law. In contrast to most of the benefits paid by the Disability branch, most recipients of this pension (approximately 60%) are women, probably due to their longer average life expectancy than men.

Table 15
Tinea Capitis Victims who Receive a Monthly Pension, by Age and Gender (absolute numbers and percentages), December 2013

Gender		Age (percentages)				
		Total	50-59	60-64	65-69	70 and over
Total	Numbers	4,284	263	1,157	1,443	1,421
	Percentages	100	100	100	100	100
Men		40	38	34	42	43
Women		60	62	66	58	57

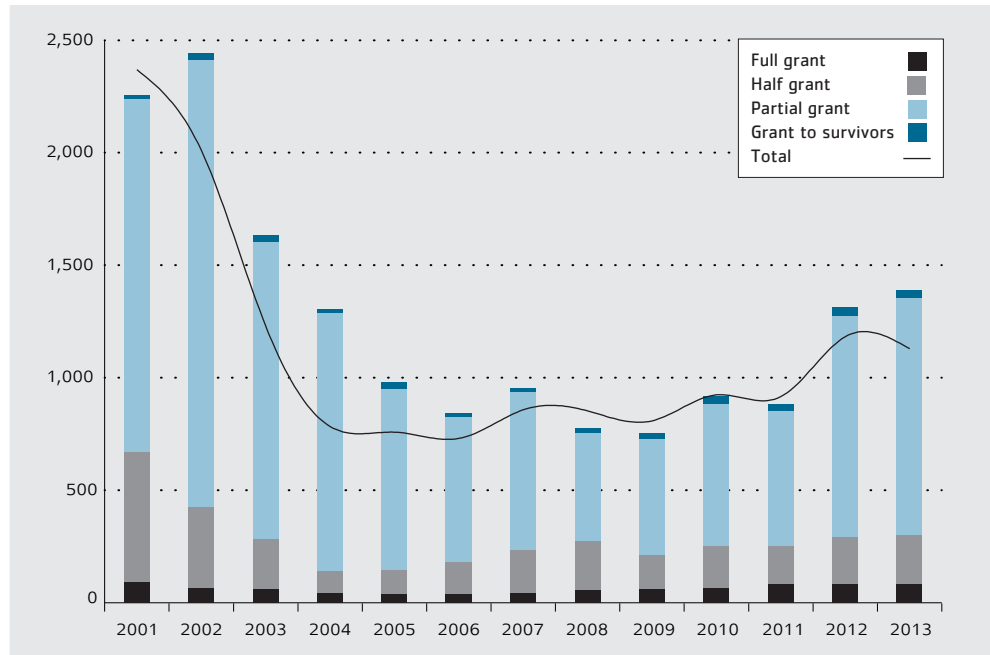
Table 16
Tinea Capitis Victims who Receive a Monthly Pension, by Medical Disability Percentage and Entitling Impairment

Entitling impairment		Total		Medical disability (percentages)			
		Absolute numbers	Percentages	40-49	50-59	60-79	80-100
Total	Numbers	4,284		1,805	892	1,001	586
	Percentages		100	100	100	100	100
Damaged skin	Scars and damaged skin	1,889	44	53	50	38	17
	Baldness	798	19	33	15	6	2
Internal	Lymph nodes	447	10	1	9	17	32
	Internal – other	246	6	5	7	7	4
Neurological		866	20	7	15	31	42
Other		38	1	0	1	1	2

Most recipients of the pension suffer from damaged skin (approximately 63%) and they have a low disability rating and approximately 16% suffer from internal impairment and they have a high disability rating (usually those that have contracted cancer) (Table 16)³⁹. Aside from the differences in the disability percentages defined in the impairment book, there are apparently differences between these patients also in life expectancy.

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39 It is important to note that the entitling impairment is not necessarily the dominant impairment. For example, approximately 29% of the pension recipients have mental impairment, which is not reflected at all in Table 16.

Graph 6
Recipients of Grants for Tinea Capitis Victims*, 2001–2013



* The payments are attributed to the year in which they were paid, but someone for whom higher medical disability ratings were approved after a repeat claim is counted as entitled to compensation on the new date. So also with respect to persons entitled to a grant under the Polio Victims Compensation Law.

From 2002, following maturation of the Law, the number of Tinea Capitis victim compensation or grant recipients had been diminishing up to 2011 (Graph 6), but in the last two years their number is growing again – possibly due to expanded activity to exhaust rights. The low rate of pension recipients with high medical disability percentages is also reflected in the low rate of full compensation recipients.

G. Compensation To Polio Victims

1. Key elements of the Law

The Polio Victims Compensation Law was adopted by the Knesset in 2007. Under the Law, persons who satisfy the following conditions are entitled to compensation: he contracted Poliomyelitis⁴⁰ within the State of Israel or had undergone medical treatment within the State up to the end of 1969⁴¹ and a qualified physician on behalf of the

40 Poliomyelitis damages the motor nerve cells in the spinal cord and consequently the nerve and muscle fibers are damaged. Approximately half the patients recover completely from the virus and approximately half suffer from varying degrees of limitations.

41 Up to February 2012, only someone who became ill within the State of Israel was entitled to compensation.

NII determined that he suffers from a medical disability or from a mobility limitation caused by the disease or by a subsequent deterioration (post-polio syndrome⁴²). This compensation is funded by the State Treasury and is intended to express the State's commitment to the victims.

The payments provided under the Law are as follows (the amounts are correct as of 2013):

- **Monthly pension:** Whoever has an established medical disability of 20% or more is entitled to a monthly pension according to the medical disability percentages. The rate of a full pension is 50% of the average wage (as defined by law) – NIS 4,414.
- **Lump-sum compensation** – whoever has established permanent medical disability percentages: Up to 74% – compensation in the amount of NIS 59,338; 75% - 94% – NIS 118,678; more than 95% – NIS 142,413.
- **Grant in lieu of pension:** Whoever has established medical disability percentages at a rate lower than 20% is entitled to a grant in lieu of pension, paid proportionately to the disability percentages (out of the full monthly pension) and multiplied by 70.

In addition to these payments, the State subsidizes medical treatments, accessories and medical devices excluded from the health basket which are required by polio victims to conduct a normal lifestyle. It is important to note that the entitlement to compensation under the Polio Law does not derogate from the rights under other NII branches.

2. Recipients of the pension for polio victims

Most of the polio victims contracted the disease in the early days of the State (the early 50s), before the polio vaccine came into use (in 1961). Nonetheless, a few cases are known to have appeared later, probably in children or adults who had not been vaccinated.

In December 2013, the number of pension recipients reached 4,223 – an increase of approximately 4% compared with 2012. 195 people received it for the first time, and 75% of the recipients receive at least one additional benefit from the Disability branch (Table 3). Most of the increase in the last two years is a result of the 2012 amendment to the Law.

The vast majority of entitled persons contracted the disease before the vaccine administration began in 1961 (Table 17), a figure that could explain the older average age of the pension recipients – 61.7. The rest are primarily people who contracted the disease abroad and were treated in Israel or those suffering from late onset of the disease, among them also those who contracted the disease since they had not been vaccinated.

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42 Post-polio syndrome is caused as a result of erosion of the nerve cells and is characterized by decreased muscle activity accompanied by weakness and pain.

Table 17
Polio Victims who Receive a Monthly Pension, by Gender and Date of Onset of the Disease (absolute numbers and percentages), December 2013

Date of onset of disease		Total		Gender (percentages)	
		Absolute numbers	Percentages	Men	Women
Total	Numbers	4,223		2,350	1,873
	Percentages		100	100	100
Before establishment of the State		437	10	9	11
1948-1959		3,114	74	72	75
1960-1969		395	9	11	8
1970-1979		160	4	5	3
1980 to present		117	3	3	3

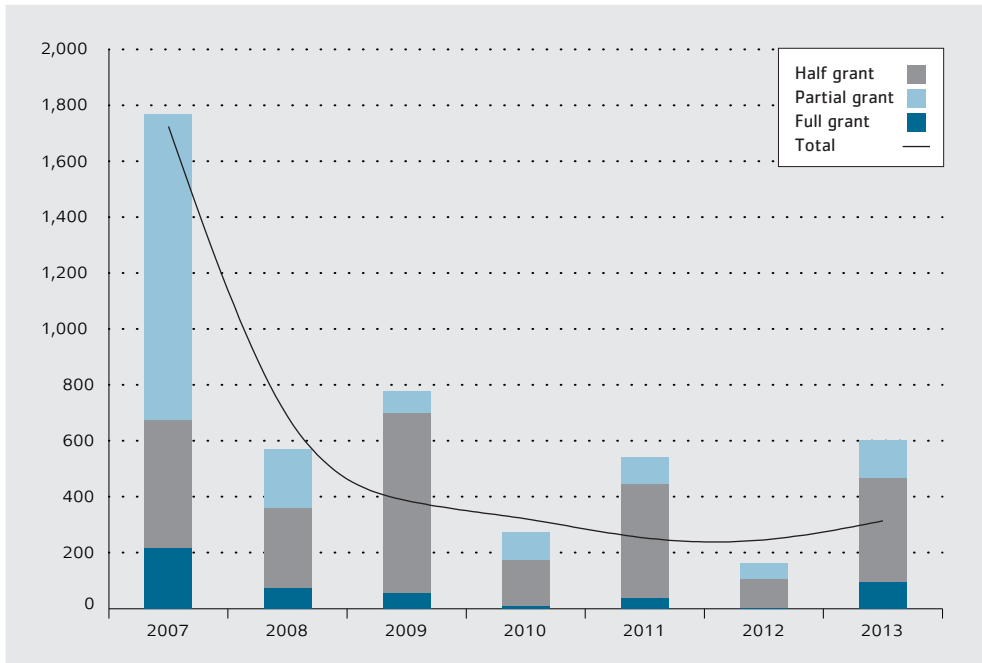
Table 18
Polio Victims who Receive a Monthly Pension, by Entitling Impairment and Medical Disability Percentage (absolute numbers and percentages), December 2013

Entitling impairment		Total		Medical disability (percentages)					
		Absolute numbers	Percentages	20-49	50-59	60-69	70-79	80-89	90-100
Total	Numbers	4,223		952	466	285	174	1,352	994
	Percentages		100	100	100	100	100	100	100
Cranial nerve disorders		700	17	10	12	14	13	12	32
Limb nerve paralysis		1,035	25	66	25	48	38	5	2
Bone diseases and damage		362	9	16	8	11	9	5	6
Post-polio		2,126	50	8	54	27	40	78	60

Approximately 50% of pension recipients suffer from post-polio syndrome – a syndrome that could be revealed up to 45 years after infection with the virus. It may further be observed that there is a link between the impairment category and its severity: the rate of persons with high medical disability percentages who suffer from cranial nerve disorders and post-polio syndrome is higher than the rate of those suffering from limb paralysis and bone damage.

Since the Law came into force, the total grant payments have diminished every year. Nonetheless, there are fluctuations in the number of recipients between the years, since a person who has higher established medical disability percentages after submitting a repeat claim is included as a person entitled to compensation on the renewed entitlement date. We should note the disparity between the ratio of polio victims receiving both a monthly pension and a lump-sum grant (approximately 90% of all recipients) and the ratio for Tinea Capitis victims (approximately 23% of all victims) – probably due to the more generous entitlement conditions under the Polio Law.

Graph 7
Recipients of Grants for Polio Victims and Total Grant Payments, 2007-2013



H. Payments

In 2013, the General Disability branch paid benefits in the sum of approximately NIS 12.3 billion – an amount that is 3.2% higher in real terms than the amount paid in 2012. A distribution of the expenditure of the branch by payment category shows that the relative weight of the disability and rehabilitation benefit payments also continued to decrease in 2013 and reached approximately 67% of the expenditure of the Branch (Table 19). The main reason for this is the relative growth in the volume of payments of other benefits – allowance, disabled child and mobility. The total payments in 2013 to Tinea Capitis victims was approximately NIS 145 and to polio victims approximately NIS 230 million. The growth in payments to polio victims is largely a result of a legislative change that took effect this year.

The percentage of Disability branch benefit payments out of all NII benefit payments increased compared to 2012 and it is 18.7%, similar to its rate in previous years (Table 20).

In general, this year the trend of erosion of the various disability benefits (general disability, attendance allowance and disabled child) compared to the average wage continues – a result of the differences between the benefit updates and wage increase mechanisms.

The average disability pension⁴³ is influenced by many variables: (a) The rate of persons entitled to a full benefit, (b) the rate of persons entitled to an increment for their dependents, (c) the rate of entitled persons who have work income or non-work income, (d) the rate of incentive pension recipients. In 2013 the average pension was NIS 2,807 per month – which is 31.2% of the average wage (Table 21).

The average attendance allowance (which also includes the additional allowance) was NIS 2,482 in 2013, which is 27.6% of the average wage (Table 22).

The level of the average benefit⁴⁴ for disabled child is influenced by two major changes that occurred in recent years: payment of a study increment and maintenance allowance increment⁴⁵ to all the benefit recipients and the growth in the benefit for children who are totally dependent on others. In 2013 the level of the average benefit was NIS 2,439, which is 27.1% of the average wage (Table 23).

In 2013 the average mobility allowance was NIS 2,137 per month, which is 23.8% of the average wage. The real growth in the level of the average pension stems largely from the growth in the rate of persons entitled to a specially accessorized vehicle (Table 24).

Table 19
General Disability Branch Payments
by Payment Category (percentages), 2009–2013

Year	Total	Disability and rehabilitation	Allowance	Disabled child	Mobility
2009	100	71.3	9.1	7.7	11.0
2010	100	70.6	9.3	7.8	11.6
2011	100	69.3	9.9	8.5	11.6
2012	100	67.8	10.3	9.2	12.0
2013	100	66.8	10.8	9.9	11.6

Table 20
General Disability Branch Payments
and Their Proportion of all NII Benefits, 2009–2013

Year	General Disability Branch payment		The rate of branch benefit payments out of total benefit payments
	In NIS million (2013 prices)	Real annual growth rate (percentages)	
2009	10,588,705	4.8	18.6
2010	11,121,790	5.0	18.6
2011	11,202,373	0.7	18.4
2012	11,866,467	5.9	17.8
2013	12,250,805	3.2	18.7

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

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

45 Children who had not yet reached the age of 14 before the new regulations came into effect are not entitled to the separate increment for scholastics that was paid until then.

In December 2013 the average pension for Tinea Capitis victims was NIS 1,285 and for polio victims – NIS 3,070 per month, with no real change relative to 2012.

Table 21
Average Monthly Disability Pension (current prices, in fixed prices and as percentage of the average wage), 2009-2013

Year	Current prices	2013 prices	As a percentage of the average wage
2009	2,567	2,816	32.2
2010	2,658	2,839	32.2
2011	2,710	2,798	31.6
2012	2,774	2,816	31.5
2013	2,807	2,807	31.2

Table 22
Average Monthly Attendance Allowance (current prices, in fixed prices and as percentage of the average wage), 2009-2013

Year	Current prices	2013 prices	As a percentage of the average wage
2009	2,236	2,453	28.0
2010	2,324	2,483	28.2
2011	2,383	2,460	27.8
2012	2,449	2,487	27.8
2013	2,482	2,482	27.6

Table 23
Average Monthly Benefit For Disabled Child (current prices, in fixed prices and as percentage of the average wage), 2009-2013

Year	Current prices	2013 prices	As a percentage of the average wage
2009	1,973	2,164	24.7
2010	2,207	2,358	26.8
2011	2,266	2,340	26.5
2012	2,414	2,451	27.4
2013	2,439	2,439	27.1

Table 24
Average Monthly Mobility Allowance (current prices, in fixed prices and as percentage of the average wage), 2009-2013

Year	Current prices	2013 prices	As a percentage of the average wage
2009	1,756	1,926	22.0
2010	1,828	1,952	22.2
2011	1,939	2,002	22.7
2012	2,036	2,067	23.1
2013	2,137	2,137	23.8

