

Old Age and Survivors

Old-age and survivors' pensions constitute the first tier of the Israeli pension system and guarantee a basic income for elderly insureds and their survivors after their death. Together with the work retirement pension, which is the second tier of the pension system¹, these benefits are designed to ensure a decent standard of living during retirement and old age.

The Law increasing retirement age: In the middle of 2004, the Retirement Age Law was implemented. Under the law, the retirement age was gradually raised from 65 to 67 for men, and from 60 to 62 for women, and it remained so until 2016. On January 1st, 2017, the retirement age for women was supposed to rise to 62 and four months but remained 62 (see below “**Legislative Changes**”).

Benefits in Old-Age and Survivors Division

Old-age pension

An old-age pension is paid to every insured person universally and without means test at the **age of entitlement**, and at the **retirement age**² subject to a means test of income from work and capital. The eligibility age for women was 69 and 4 months in 2018, and will gradually rise to 70 by 2020. The age of men's eligibility remained 70. The amount of the basic pension per individual is 17.5% of the basic amount (NIS 1,535 in 2018).

Increments to old-age pension

- **Dependents increment:** Paid for a spouse and children who depend on the insured person (according to the conditions prescribed by law, such as means test).
- **Seniority increment:** Paid in 2018 to those who have been insured for at least 4 years (until 2016 – it was paid to those insured for at least 10 years; in 2017 – at least 9 years, and as of 2019 it will be paid from the first year – see below “**Legislative Changes**”). Its rate is 2% of the pension for each insurance year beyond the first 4 years, and not more than 50%.

¹ See **Annual Survey 2007**, Old Age and Survivors Chapter, Box: **Comprehensive Pension Mandatory for Entire Economy in Israel**.

² The age of eligibility is also called the definite age. The retirement age is also called the conditional age.

- **Pension-deferral increment:** Paid to those who deferred receipt of their pension at the age at which a means test of income from work or capital was performed (from the retirement age until the age of entitlement). Its rate is 5% of the pension for each year of pension deferral due to income from an occupation.
- **Increment for 80 years of age:** at a rate of 1% of the basic sum.

Survivors' pension

The survivors' pension is paid to the survivors of an insured person after his/her death. A widower is eligible for this benefit as long as his children are still living with him, or he passes the means test as required by law. To the basic pension that amounts to 17.5% of the basic amount are added the following increments:

- **Dependents increment:** For children who were dependent on the deceased (according to the conditions prescribed in the Law).
- **Seniority increment:** For a deceased person who was insured for at least 4 years (until 2016 – at least 10 years; in 2017 – at least 9 years, and as of 2019 from the first year). Its rate is 2% of the benefit for each insurance year beyond the first 4 years, and not more than 50%.
- **Increment for a relative (survivor) who reached 80 years of age:** At a rate of 1% of the basic amount.

Increment of income supplement

An income supplement is paid to recipients of old-age or survivors' pensions whose income is low or have no income, up to the sum defined by Law. The pensions and the increment are paid at different rates by age group: up to 70, 70 to 79, and 80 and older.

Benefits under other agreements

Senior citizens and survivors who are not eligible for benefits under the National Insurance Law, receive benefits that are fully funded by the government (**special benefits**). These are mainly immigrants who were 62 or older on the day of their immigration, and are therefore not insured under the National Insurance Law. Benefit rates are identical to the pension rates under the Law, subject to a means test.

Those aged 80 and older receive an increment for age, but there are no seniority or pension-deferral increments. The maximum income supplement for these recipients is equal to the amount paid to the recipients of pensions under the National Insurance Law. The changes in the age of entitlement to a pension under the law, also apply to special benefits recipients.

Death grant

Is paid to the spouse of a deceased person who was eligible for an old-age pension or survivors' pension (under National Insurance Law). In the absence of a spouse, this grant is paid to a child as defined by the National Insurance Law.

Burial allowance

Every deceased person in Israel is entitled to a free burial. The National Insurance Institute (NII) pays a burial allowance intended to cover the costs of the funeral day for any deceased who is buried in Israel by a licensed burial organization. Populations who do not customarily use burial societies can receive this burial allowance personally.

The burial allowance rate is determined by the age of the deceased and the size of the locality in which the burial society operates. This organization is authorized, in some situations, to charge a fee for the burial (purchase of a grave while alive, purchase after death in a special plot, and burial in a closed cemetery). In 2018, burial allowances were paid for about 43 thousand burials, for a total amount of about NIS 290 million.

Counseling service for the elderly

Since the 1970s, the NII has operated a counseling service for the elderly, in which elderly volunteers support other elderly people (see below).

Legislative Changes 2015-2018**The date of payment of the seniority increment was advanced**

According to the Arrangements Law for 2017-2018, the seniority increment to the recipients of benefits under the National Insurance Law, which was paid until 2016 from the 11th year of insurance, will be paid from the first year of insurance. The change will be made gradually over four years: In January 2017, the increment was paid from the 10th year; in 2018 from the 9th year; in 2019 from the 5th year and in 2020 from the 1st year. In the Arrangements Law for 2019, it was decided that as of 2018, the two steps intended for 2018 and 2019 will be consolidated, so that in 2018 the increment was paid from the 5th year and in 2019 from the 1st year.

Increased retirement age for women was frozen

The retirement age for women was supposed to rise by law on January 1st, 2017, to 62 and four months, but this rise was postponed to January 1st, 2018, to allow the Finance Minister to submit his recommendations (until September 30th, 2017). The Minister's recommendations were neither submitted on time, nor after a later date was set (February 2018), leaving the retirement age for women at 62. It was further decided that the age of eligibility for women will be the retirement age according

to the Retirement Age Law (and thus, from now on, the tables detailing the process for women only appear in the Retirement Age Law).

Pensions with increment of income supplement were increased

- As part of the recommendations of the War on Poverty Committee (Alaluf Committee) and following governmental coalition agreements, old-age and survivors' pensions with increment of income supplement were increased by in order to bring them closer to the poverty line (see Chapter **Welfare, Poverty and Social Gaps** in this publication).
- The pension ratio was matched to poverty line for individuals and couples by age group (up to 70, 79-70, 80 and over). For example, the pension for an individual not older than 70 was increased by NIS 178 and for a couple of that age by NIS 542 (from December 2015).
- The pension was gradually increased over two years according to family composition and age group. For example, those under 70 received in January 2017 an increment of NIS 131, those aged 79-70 – NIS 98, and those aged 80 and older – NIS 60; a couple whose older partner is under 70 received an additional NIS 212, aged 79-70 – NIS 154, and 80 and older – NIS 95³. The amount of work income disregarded in the means test was raised by 1.5% of the average wage to 21.5% for a single person and 25.5% for a non-single person (Arrangements Law for 2017-2018).

Means test was relaxed for single mothers

In January 2017, the means test was relaxed for recipient of income supplement. Regarding single mothers⁴ receiving old-age and survivors' pensions with income supplement – the rate of offset of their income from work beyond the disregarded amount dropped from 60% to 25% of gross wages up to NIS 3,349 (in 2018), and above this amount the rate remains 60%. Single mothers may receive a work grant from Income Tax Authorities, only if the increase to the pension resulting from this change is lower than a work grant. The difference is added to the work grant by tax authorities. The program was run as a temporary order, from January 2017, for two years and extended in January 2019 for another two years.

Employment test exemption for single mothers

Since January 2018, a studying single mother will be exempted from an employment test, if the extent of her studies, or studies and works is of at least 30 hours per week (36 hours since January 2019).

Expanded eligibility for heating grant

Since winter 2017-2018 the heating grant is paid as a fixed sum of NIS 553 to all recipients of old-age and survivors' pensions with increment of income supplement, and to recipients of an additional

³ The Income Support Law was amended, so that rates increased by 7% are now presented in the table detailing benefit rates (accordingly, Section 5(a)1 of the Law was repealed).

⁴ The vast majority of single-parents are women, hence the feminine form is used in this chapter.

pension for the disabled throughout the country. Until 2016, only those who lived in “cold areas” as defined by Law, who received an income supplement or an additional pension for the disabled, were eligible for this grant, and as of 2016 those who did not live in “cold areas” were eligible for a lower amount (NIS 182).

Enlarged general disability pension and its influence on old-age pension

In February 2018, it was decided to enlarge the disability pensions in three stages: 1/3//2018, 2020, 2021. This amendment has the following impacts on recipients of old-age pension:

- Those who reached retirement age by 28/2/2018, receive an increment of NIS 235, and as of 1/3/2018 – NIS 470.
- Those who are eligible for income supplement in February 2018 and, due to the pension increment resulting of this amendment, their eligibility for income supplement and ancillary benefits was declined – will still be entitled to benefits.
- All disability pensions (under Chapter 9 of the Law) will be linked to the average wage in the economy as of 1/1/2022.

Eligibility for income supplement was relaxed

- As of June 2018, financial aid (from family or any other party) is no longer taken into account in the means test required as to the increment of income supplement.
- As of February 2018, a vehicle for mobility or for a disabled child will not be considered as income, and will not lead to the denial of the benefit. In case of a second vehicle used by the family, it will be evaluated as a first vehicle according to the rules prescribed by Law.

Pensions Recipients

Old-age and survivors' pensions recipients

In 2018, the National Insurance Institute paid old-age pensions under the National Insurance Law (hereafter: **by Law**) and under other agreements (hereafter: **special pensions**) to an average of 905 thousand people a month, and survivors' pensions to an average of 95 thousand a month (Table 1), most of whom were women. Overall, the number of recipients of old age pensions increased by 4.0% in 2018, and the total number of old age and survivors' pensions increased by 3.5%, similar to the increase in 2017. The number of recipients of an old age pension by law has increased by 4.5%, and survivors (excluding half survivors) by law decreased by 1.1%.

Approximately 119 thousand of the recipients of old age pensions also received half- survivors' pensions, and approximately 82 received a disability pension supplement (see below).

Table 1: Old-age and Survivors' Pensions Recipients, by Pension Type (Monthly Average), 2016-2018

Pension type	Number of recipients (average)			Annual growth (%)	
	2016	2017	2018	2017	2018
Total	933,371	966,299	1,000,274	3.5	3.5
Old age – Total	836,220	870,086	905,143	4.0	4.0
By National Insurance Law	785,673	821,662	858,682	4.6	4.5
By other agreements	50,547	48,424	46,461	-4.2	-4.1
Survivors – Total	97,151	96,213	95,131	-1.0	-1.1
By National Insurance Law	96,875	95,952	94,887	-1.0	-1.1
By other agreements	277	262	244	-5.4	-6.9

The number of recipients of special pensions (usually immigrants) continued to decline in 2018 by 4.1%, similar to the 4.2% decrease in 2017. Their share among all the recipients increased from 8.4% to 18.7%, between 1990 and 1996, respectively. However, since 1997 it has gradually decreased down to 4.7% in 2018. This development is the continuation of a downward trend in the growth rate of this population, from the second half of the 1990s – a result of the decline in the number of immigrants coming to Israel at an advanced age and in the mortality of elderly people among them, which is expected to continue in the future.

Recipients of increment for income supplement

Recipients of old age and survivors' pensions who have no additional sources of income, or whose income from other sources is extremely low, are entitled to receive an increment to their pensions under the Income Support Law.

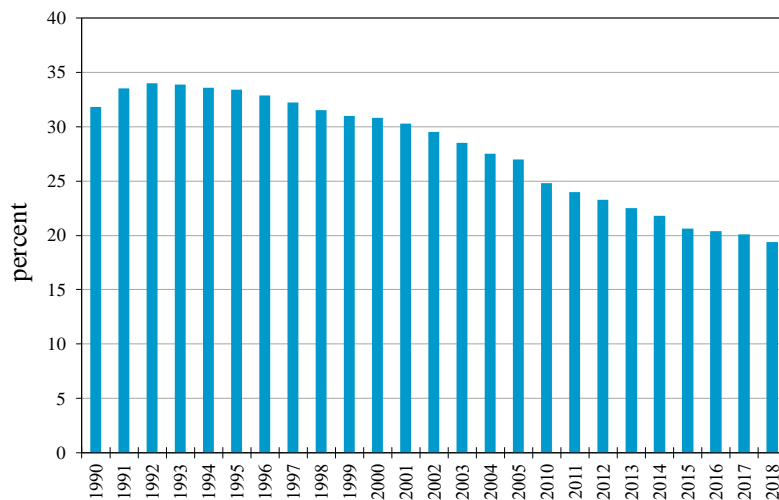
Between the years 1990 and 2001, the **number of families** receiving income supplement steadily increased following arrival of many immigrants who received a special pension plus income supplement. Since then and until 2012 their number has gradually declined, mainly due to a drop in the number of immigrants receiving special pensions. In 2013 and 2014, their number increased mainly due to the continuous rise in the number of old-age pension recipients under the National Insurance Law, with an increment for income supplement.

The changes in the Disabled Victims of Nazi Persecution Law and the Benefits Law designed to increase aid to holocaust survivors and expand the conditions of eligibility (from 2014) have resulted in a decrease in the number of recipients of income supplement from 190 thousand in December 2014 to 185 thousands in early 2015, and since then their number increased to a monthly average of 197 thousand families in 2018.

Although the number of families receiving increment for income supplement has increased, **their percentage** among old-age and survivors' pensions recipients is declining and stood at 19.7% in 2018.

Since its peak in 1992 (34%), their percentage has declined, mainly due to the drop in the number of recipients of special pensions (Figure 1).

Figure 1: Percentage of Recipients of Old-Age and Survivors' Pensions with Income Supplement (Monthly Average), Selected Years



As expected, in December 2018, the percentage of families receiving income supplement was highest among the special pension recipients, a group mainly composed of new immigrants – 87.5% (Table 2). However, among recipients of special pensions, the proportion of income supplement recipients was on a downward trend since December 2011 (when it was 94.4%), which intensified in 2015 as a result of changes in the legislation (Disabled Victims of Nazi Persecution Law and Benefits to Holocaust Survivors Law). The percentage of eligible people among recipients of an old-age pension under the National Insurance Law was 15.2% at that time, and among recipients of survivors' pension under the National Insurance Law – 28.1%.

Table 2: Old-age and Survivors' Pensions Recipients, by Pension Type and Number of Dependents*, December 2018

Pension type	Total	Number of dependents			
		None	1 (numbers)	2 (numbers)	3 and more (numbers)
Old age and survivors – Total	1,015,728	948,566	6,515	6,484	4,163
Receiving income supplement (%)	19.4	18.2	40.5	20.7	19.6
Old age by National Insurance Law	875,750	829,285	42,846	2,605	1,014
Receiving income supplement (%)	14.9	13.7	37.5	29.4	44.7
Old age by other agreement (special pensions)	45,683	39,250	6,256	106	71
Receiving income supplement (%)	87.5	87.0	90.7	86.8	88.7
Survivors by National Insurance Law	94,057	79,837	7,386	3,762	3,072
Receiving income supplement (%)	28.4	31.1	15.1	12.8	9.6
Survivors by other agreements	238	194	27	11	6
Receiving income supplement (%)	63.9	64.4	63.0	54.6	66.7

* Includes spouse or children – for old-age pension, and children – for survivors' pension.

Recipients of old-age pension and half survivors' pension

Are eligible for both the old-age and survivors' pensions (hereinafter **the two pensions**) only the beneficiaries under the National Insurance Law by virtue of their rights in these divisions, regardless of whether they were first entitled to an old-age pension or a survivors' pension. The amount of the payment is full old-age pension and half the survivor's pension. Recipients of pensions under other agreements are entitled by virtue of the agreement and not by virtue of rights in these divisions.

In December 2018, 119,831 widows and widowers received both pensions (13.7% of all old-age pension recipients under the National Insurance Law), 93.4% of whom were women (Table 3). The high proportion of women is not surprising, for a number of reasons: (a) The percentage of insured men is higher than the percentage of insured women, since only women insured as employees confer insurance to their spouse in survivors' pension, whereas all men confer entitlement to insurance for their spouses. (b) The right to survivors' pension for a widowed man without children depends on an means test. (c) Women are usually married to older men and their life expectancy is higher than that of men. The increase in the number of recipients of a half survivors' pension is lower than the growth rate of all recipients of an old-age pension by Law (3.5% and 4.5% per year, respectively).

The average age of recipients of both pensions is higher than the age of all those entitled to an old-age pension by Law: men 79.1 compared with 75.9, respectively, and women – 78.5 compared with 73.1, respectively, since the death of a spouse usually occurs at a more advanced age.

In December 2018, the average cumulative total of the two pensions was NIS 3,416, about one-third of which was the survivor's pension. The average total is higher for men than for women, because men's old-age pensions are usually higher, primarily due to higher seniority increments.

Table 3: Recipients of Old-age Pension and Half Survivors' Pension, by Various Characteristics, December 2018

	Total	Men	Women
Total of all recipients	119,831	7,968	111,863
Income supplement recipients (%)	8.9	15.0	8.5
Average pension (NIS)	3,417	3,442	3,262
Out of which: half survivors' pension (NIS)	1,125	999	1,134
Average age	78.6	79.1	78.5

Recipients of old-age pension for the disabled

A disability pension is paid until retirement age, and an old-age pensions after retirement age. Since 2002, following legislative amendments to improve pensions for the disabled, those who reached retirement age after 1.1.2002 receive the higher of the two pensions (old-age and disability pensions, including an additional monthly pension for those who reached retirement age before 1.3.2018).

An additional monthly pension (hereafter referred to as **AMP**) is paid to those whose degree of medical disability is at least 50% and degree of earning incapacity at least 75%. In December 2018, its amount was in most cases between NIS 351 and 452 per month, depending on the degree of medical disability. At retirement age, the insured continues to receive the amount paid to him in the disability pension and the AMP if he was entitled to it in the framework of the old-age pension.

In December 2018, approximately 82 thousand people (50.7% of whom were women) received an old-age pension with pension supplement for the disabled – an increase of 9.5% compared to December 2017 (Table 4). This increase is higher than the one between 2016 and 2017 (about 7%) but lower than between 2013 and 2015 (about 13% to 14%). Approximately 81.9% of the recipients also received the AMP. The average amount of the pension was NIS 3,180, about 24% of which was a supplement to the disability pension. 21.5% of recipients of a disability supplement or AMP were also eligible for income supplement, with a slightly lower proportion of men in comparison with women: 21.2% and 21.9%, respectively.

Table 4: Recipients of Old-Age Disability Pension, by Various Characteristics, December 2018

	Total	Men	Women
Total of all recipients	81,537	40,198	41,339
Out of which: recipients of additional monthly pension (AMP)	67,154	34,407	32,747
Average pension (NIS)	3,180	3,241	3,120
Out of which: supplement to disability and AMP (NIS)	765	741	788
Average age	71.0	73.3	68.8

Seniority increment recipients

Since 2018, a seniority increment is paid those who were insured with the NII for more than 4 years, and its rate is 2% of the basic pension (including insurance increments) for every year of insurance beyond the first four years, and not more than 50% of the pension. Since 2017, following legislative changes (see above) the proportion of recipients of the increment began to rise, and reached 94.8% in 2018 (91.5% of women and 99.9% of men) (Table 5).

The average increment for recipients of pensions by Law also increased between 2017 and 2018, mainly as a result of the same legislative change, from 34% to 38.6% of the basic pension. The average rate was 40.7% (for recipients of the increment), which means payment for 20.3 years beyond the first four years of insurance, on average. As expected from the legislative changes and the trend that became apparent over the years, there was an increase in both the rate of seniority increment recipients and in the average number of years for which the increment is paid. Men received a higher average increment than women – 43.1% compared with only 28.2%, respectively (the average increment rate paid to those entitled to it is 45.4% for men and 37.4% for women).

The increase in the rate of seniority increment between 2017 and 2018 is more evident among women (from 28.2% to 34.2%, respectively) than among men (43.1% and 45.4%, respectively), because the increase in 2018 affected insured persons with five years of insurance and more who did not yet reach the maximum increment (50%). The proportion of women whose seniority increment is below the maximum increment is higher than that of men, 54.6% compared to 19.9%, respectively, and therefore women were more affected than men by the changes in the law (as observed by the increase in both the share of women recipients and the average increment rate per pension recipient).

The increase observed over the years in the rate of people eligible for a seniority increment and in the average number of seniority years is due, among other things, to the characteristics of the new eligible people (hereinafter the **newcomers**): the increment is higher for the newcomers compared to all recipients (men 47.4% compared with 45.4%, women 38.8% compared with 34.2% respectively). Furthermore – more newcomers were eligible for seniority increment in 2018 and even for a higher increment than those who joined in 2017 – the proportion of eligible men increased from 99% to 100% and women from 91.9% to 95.2%. The gap (in favor of men) has narrowed from about 10 percentage points in 2016 to about 7 percentage points in 2017 and to about 5 percentage points in 2018 (Table 5).

The average seniority increment for 2018 newcomers was also higher than 2017, but the difference between women and men remains large: 47.4% in comparison with 38.8%, respectively. With the increase in the rate of employed women and in the number of employment years, the proportion of women who will receive seniority increment, especially the maximum increment, is expected to further increase.

Among immigrants⁵, the percentage of newcomers dropped between the years 2008-2010, and then increased significantly: among men, from 13.8% in 2012 to 16.8% in 2018, and among women, from 21.2% to 22.3%, respectively. The average seniority increment for immigrants is naturally lower than that of native Israelis, even after being increased between 2017 and 2018 (from 36.1% to 47.4% for men, and from 28.1% to 38.8% for women). Despite this difference, the average increment for newcomers has risen, and the gap is assumed to further narrow upon completion of the augmentation process in 2019.

Recipients of survivors' pension (survivors only or both old-age and half survivors' pensions) are granted the additional seniority to which the deceased was entitled. Most of them – 96.6% – are eligible for the increment, and as expected, the proportion of women in this group is higher than men – 97.1% compared to 89.2%, respectively. The average increment among women than men: 37.3% compared to 32.2% respectively. The average increment among those entitled to it is 37% on average, which translates into an increment for 18.5 years beyond the first four years of insurance.

⁵ Those who immigrated to Israel from 1990.

Table 5: Recipients of Old-Age Pension Under the National Insurance Law, by Rate of Recipients of Seniority and Pension Deferral Increments, and Rate of Average Increment, 2013-2018 (December).

Year	Rate of increment recipients among all recipients (%)			Rate of average increment for all pension recipients (%)		
	Total	Men	Women	Total	Men	Women
Seniority increment						
2013*	83.5	94.4	76.7	31.0	42.1	24.2
2013***	92.2	98.3	87.3	35.6	42.9	29.7
2014*	84.5	94.8	78.1	31.6	42.2	24.9
2014**	94.1	98.5	90.3	36.8	42.9	31.4
2015*	85.4	95.2	79.3	32.1	42.3	25.7
2015**	92.7	98.7	87.9	36.8	43.5	31.5
2016*	86.3	95.5	80.4	32.6	42.5	26.3
2016**	93.7	98.8	89.4	37.4	43.8	32.1
2017*	88.4	96.6	83.1	34.0	43.1	28.2
2017**	95.4	99.0	91.9	39.6	45.0	34.4
2018*	94.8	99.9	91.5	38.6	45.4	34.2
2018**	97.5	100.0	95.2	43.0	47.4	38.8
Pension deferral increment						
2013*	13.0	13.8	12.5	2.2	2.2	2.2
2013***	11.5	9.7	12.3	1.9	1.2	2.4
2014*	13.1	13.6	12.8	2.2	2.1	2.3
2014**	13.2	10.6	15.4	2.1	1.3	2.8
2015*	13.4	13.6	13.2	2.2	2.1	2.4
2015**	15.0	13.5	16.2	2.4	1.6	2.9
2016*	13.7	13.9	13.6	2.3	2.1	2.4
2016**	16.6	15.9	17.2	2.6	1.9	3.1
2017*	14.1	14.2	14.1	2.3	2.1	2.5
2017**	17.3	16.2	18.5	2.8	2.1	3.5
2018*	14.5	14.5	14.5	2.4	2.1	2.6
2018**	17.4	16.0	18.8	2.8	2.0	3.6

* All recipients.

** New recipients that year.

*** New recipients that year, not including housewives born before 1931 (Law Amendment 138).

Recipients of pension deferral increment

The old-age pension paid from retirement age to the age of eligibility is contingent on a means test, including high capital income. An individual whose income from work does not exceed 57% of the average wage is entitled to a full pension (for a couple – 76% of the average wage). For each additional Shekel above this income, 60 agorot are deducted from the old-age pension (reduced benefit) until the pension is zeroed. Those with higher income are not entitled to a pension and will receive a pension deferral increment of 5% of the basic pension for each year of deferral. Those eligible for a reduced benefit may choose not to receive the pension and will be eligible for the increment. The pension deferral increment is lower than the seniority increment, and the number of its recipients is also smaller.

The proportion of men who received the increment in 2018 rose to 14.5%, after years of slow decline, stabilization in 2015 and an increase from 2016 (Table 5). The average increment for men remained 2.1%. There was a growth, between 2017 and 2018, in the percentage of receiving women from 14.1% to 14.5%, and in the rate of the increment from 2.5% to 2.6%. The average increment for women was higher than for men because women can postpone the pension for more years than men (explanation below). The average increment for its recipients was 16.5%, which means an average pension deferral of 3.3 years.

Among newcomers, the number of recipients increased, as did the average amount. This increase is due to the increase in the proportion of women in this group – from 18.5% in 2017 to 18.8% in 2018 and in their increment rate from 3.5% to 3.6%, and to the decrease in the proportion of men – from 16.2% to 16.0% and in their increment rate - from 2.1% to 2.0%.

The increment paid for male newcomers was slightly lower than for all men – 2% in comparison with 2.1%, respectively, and the proportion of its recipients dropped from 16.2% to 16%. Hence, fewer men postpone the date of receipt of the pension and the number of years is slightly lower than that of all men. Female newcomers are more likely than all women to defer the pension and can defer it for many more years than before – 5 in comparison with 8.

The male new comers who postponed their pensions are entitled to an increment of 12.2% on average, which means that the average pension deferral is 2.5 years – almost the full deferral period, three years. Among women, the maximum deferral period is longer, and those who deferred their pensions were entitled to a 19% increment, i.e. 3.8 years.

In the wake of the Retirement Age Law, the increment rate among women is expected to grow in the future. By February 2018, the retirement age for women remained 62 while the age of eligibility continued to rise gradually, reaching 70 in 2020, so that the number of possible years for which women can be entitled to pension deferral increment has gradually increased from 5 to 8. On the other hand, men are able to defer the pension for only three years, and thus it is possible that the average increment

rate for women may continue to rise and be higher than for men (as has been observed in the past five years among all recipients and in the last eight years among the newcomers).

Pensions Level and Scope of Payments

Pensions level

Old-age and survivors' pensions without income supplement remained stable between 2014 and 2017, and in 2018 they increased by 0.3% in line with the rise in the index⁶ (Table 6). The rate of the basic pension as a percentage of the average wage per salaried employee decreased for people under 80, with no dependents, from 16% in 2016 to 15.5% in 2017 and 15.1% in 2018. Therefore, the erosion of the old-age pension continues due to its linkage to the index and not to the average wage, which is on the rise.

The pensions with increment for income supplement remained unchanged until December 2015, when they were increased for beneficiaries without dependents by 4.5%-6.9% (by age group) and for those with a dependent spouse by 11.4%-12.2%. In January 2017, pensions were increased again at a similar rate for all recipients, and then again in January 2018⁷: for people under 70 by 2.2%, between 70-79 by 2.3%, and for those aged 80 and above by 1.0%.

Most of the eligible recipients receive pensions that are higher than the basic pension (as detailed in Table 6) because of the various increments (increment for a spouse or a child, seniority increment, pension deferral increment, age increment, income supplement and more). Table 7 shows the average pensions for common family compositions among the pension recipients.

⁶ The update was done in January based on the November consumer price index compared to its value on November of the previous year.

⁷ See **Legislative Changes** in this chapter, and **Pensions Level** in Chapter 1.

Table 6: Basic Old-Age and Survivors' Pensions, by Age Group, 2013-2018

Year	No dependents		With dependent spouse		Widow/er with 2 children*	
	2018 prices (NIS)	Percent of average wage	2018 prices (NIS)	Percent of average wage	2018 prices (NIS)	Percent of average wage
Before 80 years of age						
2013	1,507	16.7	2,265	25.1	2,920	32.4
2014	1,529	16.7	2,298	25.1	2,963	32.4
2015	1,539	16.4	2,313	24.6	2,982	31.7
2016	1,547	16.0	2,325	24.1	2,998	31.0
2017	1,543	15.5	2,320	23.3	2,991	30.1
2018	1,535	15.1	2,307	22.6	2,975	29.2
80 years of age and older						
2013	1,592	17.6	2,350	26.0	3,005	33.3
2014	1,615	17.7	2,384	26.1	3,049	33.4
2015	1,625	17.3	2,399	25.5	3,068	32.7
2016	1,634	16.9	2,412	25.0	3,085	31.9
2017	1,630	16.4	2,406	24.2	3,078	31.0
2018	1,622	15.9	2,394	23.5	3,062	30.0

* Not including child allowance

Table 7: Average Old-Age and Survivors' Pensions, by Type of Eligibility, December 2018

Type of eligibility	No income supplement		With income supplement	
	NIS	Percent of average wage	NIS	Percent of average wage
Single person receiving a pension in his own right	2,472	24.3	3,204	31.4
Single person receiving an increment for a spouse*	3,352	32.9	5,037	49.4
Couple with each partner receiving a pension in his/her own right	4,944	48.5	5,037	29.4
Widow/er receiving an increment for 2 children	4,253	41.7	6,566	64.4

* The spouse is not entitled to an allowance in his/her own right.

Scope of payments

In 2018, the amount of payments from the Old-Age and Survivors Division (not including administrative expenses), at fixed prices, increased by 6.3%. Benefit payments based on the National Insurance Law increased by 7.2% in real terms, and benefit payments under other agreements by 0.9% (including increment for income supplement for all pensions, including pensions under the National Insurance Law). The rise in pension payments based on the National Insurance Law mainly stems from a growth in the number of recipients and an increase in seniority increment. The increase in

payments under the Law and according to other agreements was due to an increase in the amount of pensions with increment for income supplement.

The total of payments for all NII allowances (not including administrative expenses) grew in real terms in 2018 at a lower rate than the rate of increase in payments from Old-Age and Survivors Division – 4.8%, and therefore the share of the Division’s payments increased from 37.8% in 2017 to 38.4% in 2018 (Table 8).

Table 8: Pension Payments in Old-Age and Survivors’ Division* (Millions of NIS), 2013 - 2018

	2013	2014	2015	2016	2017	2018
Current prices						
Total payments	25,690	27,218	28,174	29,727	31,187	33,428
Under National Insurance Law	21,911	23,465	24,544	25,596	26,897	29,061
Under other agreements	3,779	3,753	3,630	4,127	4,285	4,361
2018 prices						
Total payments	25,812	27,216	38,345	30,039	31,438	33,428
Under National Insurance Law	21,986	23,433	24,667	25,864	27,114	26,061
Under other agreements	3,817	3,774	3,674	4,170	4,320	4,361

* Since 2016, total payments include administrative expenditure.

Counseling Service for the Elderly and their Family

The rights granted by the NII to a person at retirement age – whether in money or in kind (services) – are important for their subsistence: old-age pension, survivors’ pension, income supplement and long-term care. The counseling services for the elderly and their family usually focus on services accessibility, assistance in realization of rights, and providing a regular and supportive social connection for those in need.

Counseling

Elderly people find it difficult to realize their rights in the NII or other bodies. The volunteers of the Counseling Service help them in various ways – translation, conversation, active referral and practical assistance. The consultation is provided at the branches or by telephone through a call center in different languages. In the periphery, the conversations are usually initiated by the Service. In mid-2017, the counseling was also extended to conversations with people in transition situations, loss or crisis situations. This consultation, which includes conversation records, is longer than the usual counseling and comes as a substitute for an initial visit when needed. In 2018, approximately 187 thousand elderly people received counseling compared to approximately 183 thousand in 2017 – an increase of 2.1% (Table 9).

Table 9: Recipients of Counseling Services for the Elderly and their Family, by Type of Service, 2016 -2018

Service type	2016	2017	2018
Counseling	198,837	182,992	186,820
Initial home visits	26,756	23,924	23,233
Regular weekly home visits	6,546	6,393	6,304
Support groups	79	78	70
Information days	150	153	153

Initial home visits

Initial home visits are held at the homes of those defined as at-risk groups: the elderly over 80, receiving nursing services, for whom a pension receiver has been appointed, whose claim for long-term care has been denied, and widows or widowers. The visits allow to locate people who are at risk or neglect, and ensure that the pensions they receive are indeed used to their advantage. These visits are also intended to assist in the realization of rights (income supplement or survivors and long-term care benefit) for those who are physically disabled.

Volunteers for the initial visit receive regular training and guidance. Their impressions form the basis for an assessment of the elderly person's situation by a professional in the Service, for the purpose of continued involvement and referral to appropriate parties at the NII and in the community. Changes in the definition of the mission and the reluctance of many people to let strangers into their homes have caused a 10.6% drop in visits between 2016 and 2017, and 2.9% between 2017 and 2018 (Table 9). Expanded counseling is an alternative tool in these situations.

Regular home visits

Elderly people who are confined to their homes and do not maintain a regular and supportive social contact may feel lonely, even if they meet caregivers or service providers, or there is a spouse who takes care of them. The volunteers of the Counseling Service pay regular home visits to those who have expressed their interest therein and maintain regular personal contact with them. Over the years, the relations between the elderly and the volunteers, sometimes close friendships, have proven their great contribution to the quality of life and well-being of the elderly. In 2018, approximately 330 thousand regular weekly home visits took place, with about 8,300 different people, about 6,300 monthly average visits. These figures are slightly lower than in 2015 and 2016 and similar to 2017.

Support groups for widows and widowers

As in any age, losing one's spouse in old age is a serious crisis. For about 30 years the Counseling Service for the Elderly and their Family has been holding support groups for aged widows and widowers at all branches of the NII, which help the elderly with organization to continue their lives.

The contact is usually established shortly after the death. In 2018, there were 70 support groups operated across the country, slightly fewer than in 2017, in which 78 groups operated (Table 9).

Information days

Information days are a means of providing information and establishing direct and ongoing contact with the insureds on various matters related to old age, such as full realization of rights at the NII and in the community, information for new retirees, widows' and widowers' rights, Holocaust survivors' rights and support for dementia patients. The branches' counseling departments send personal letters of invitations to the target audience for information days by subject. In 2018, 153 information days were held, similar to 2017 (Table 9).

In the periphery, where services and representatives of official institutions are less available, information days are held in collaboration with the social services departments, where individual answers are given to each person in the audience.

Local and national projects

The departments of counseling for the elderly and their family in the branches initiate projects to promote new services, such as support groups for the primary caregiver of a nursed elderly or raising awareness of Alzheimer's disease. The projects are carried out in collaboration with NII officials or other parties.