

**National Insurance Institute  
Israel**

Research and Planning Administration



# Summary of Trends and Developments in Social Security

2010





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# 2010



# TABLE OF CONTENTS

	<u>page</u>
Introduction	1
General	3
Client Service	4
Old-Age and Survivors	5
Long-Term Care	6
General Disability	8
Mobility	10
Income Support	11
Maintenance	13
Children	14
Maternity	16
Work Injury	17
Prisoners of Zion	18
Hostile Action Casualties	19
Reserve Service	20
Unemployment	21
Rehabilitation	22
Insurance and Collection of Contributions	23
Counseling Service for the Elderly	25
Fund for Demonstration Projects	26
Fund for Development of Services for People with Disabilities	31
Fund for Development of Long-Term Care Services for Dependent Elderly	29
Fund for Activities of Safety and Hygiene in the Workplace	32
Fund for Development of Services for Children and Youth	33
International Conventions on Social Security	35
Future Changes	38



## INTRODUCTION

The scope of changes that came into effect in the Israeli social security system in 2010 reflects the recent overall improvement in the Israeli economy, as well as a streamlining of the system, making it a more efficient one.

Two particularly significant changes are included in this report: a pilot under which long-term care benefit recipients residing in specific areas may choose a cash benefit, rather than in-kind services, under certain conditions, and a reform in the regulations pertaining to benefit for disabled child.

The scope of the population eligible for benefits was widened in 2010: The definition of *child* was expanded, thus widening coverage for the dependent's increment in a number of branches. Elderly persons may continue to receive their long-term care benefit even when hospitalized, in certain instances, and persons who became stricken with polio before the establishment of the State of Israel may now be eligible for the special compensation paid to polio victims. A prisoner's child may be eligible for income support benefit even if his other parent is not a resident of Israel, and widows and widowers of hostile action victims now continue to receive benefits after their remarriage. Furthermore, full orphans, one of whose parent was killed in a hostile action, now receive an increased benefit until age 25, rather than till age 21 as previously.

Benefits were raised in the Children branch: the allowance paid for the second, third and fourth children in families is being raised gradually.

A number of changes in the social security system were introduced in 2010 to improve administrative procedures or to correct distortions in the system. In the Long-term Care branch, entitled persons may receive their benefit at the rate paid to persons in need of partial supervision, even without the ADL points previously required. In Income Support, persons under house arrest and their supervisors are now exempt from the employment test requirement, regular income from welfare support is now taken into account in calculation of benefit and the income of a woman not entitled to maintenance (alimony) under the Maintenance Act is not taken into account in the calculation of benefit. In the Children branch, the rate of the allowance to a man with children from several wives is now calculated for each wife separately. In the Reserve Service branch, self-employed workers and non-workers may claim their benefit through the internet, and unemployed reservists now receive their benefit automatically, with no need to submit a claim.

This report includes a separate review of the various improvements in client service – a top priority for the Institute – as well as a chapter on the Rehabilitation Bureau, whose task is to provide vocational rehabilitation services to various population groups, such as the work injured, disabled and widows.

In the area of collection of insurance contributions, there has been a significant rise in the ceiling for payment of insurance contributions, as well as moderate rises in the rate of contributions paid by employers.

Aside from the granting of benefits and the provision of vocational rehabilitation, the National Insurance Institute allots a significant share of its budget each year to a number of Funds, responsible for developing services for various groups in the community. For example, the NII sponsors a wide range of *demonstration projects*, which set up services new in content, in method of operation or in target population. These projects are aimed at improving and

expanding the variety of community services available to the Institute's beneficiaries, such as: senior citizens, families, mothers, children and youth, the disabled, widows, orphans, the unemployed and military reservists. 323 demonstration projects were in operation in 2010 alone, and the new ones are briefly described in the chapter on the *Fund for Demonstration Projects*.

Other Funds are devoted to services for the disabled (such as in the occupational, social and housing areas), described in a separate chapter on the *Fund for the Development of Services for the Disabled* – in which the goals and scope of the Fund are outlined, and the main types of services it has developed are briefly reviewed – long-term care services for the elderly (such as day centers and beds in institutions), activities aimed at work safety and the prevention of work accidents, and services for children and youth exposed to neglect, poverty or abuse, described in chapters on the *Fund for Development of Long-Term Care Services*, the *Fund for Activities of Safety and Hygiene in the Workplace* and the *Fund for Development of Services for Children at Risk*.

As in previous reports, this report also includes information on international conventions, both bilateral and multilateral, to which Israel is signatory, along with various Western European countries. Israel is in the process of negotiations with additional countries in order to expand the scope of international cooperation by means of such conventions.

The report includes a chapter on the *Counseling Service for the Elderly*, a professional service operating in all local branches of the NII, providing counseling and support to the elderly by means of elderly volunteers, and offering assistance to new retirees as well.

Changes covered in the chapter on Future Changes include adjustment of national insurance benefit rates, a different method of calculating income from property for the purpose of the income support benefit and a proposed maternity allowance to foster parents.



## **GENERAL**

### Definition of child

Under a recent amendment to the National Insurance Law, the definition of *child* was expanded to include all persons up to age 24 who have not yet completed their compulsory army service, but for no longer than 36 months after the beginning of their compulsory army service.

Previous to the change, the definition included persons in compulsory army service only up to the age of 22.

A *child* under this definition renders his parents eligible for a dependent's increment on his behalf to a number of social security benefits: old-age pension, survivors' pension, general disability pension, work injury allowance and income support benefit.

The change is in effect as of August 1, 2010.

## CLIENT SERVICE

In 2010, the National Insurance Institute of Israel (NII) continued its efforts to improve its service to the public, with the aim of reducing the number of visitors to the local branches, enabling faster and more thorough responses to those clients who still visit the branches and promoting take-up of rights in the various social security schemes. There are now 120 kiosks (self-service stations, offering a wide variety of authorizations and forms) dispersed all over the country, outside local branches as well as in municipality buildings, operating beyond reception hours – almost 24 hours a day.

One centralized nationwide *call center* operates in Israel, together with two support centers. The center may be reached almost 24 hours a day, and it provides both general and personal information to callers. The secret code necessary for the latter has been distributed to most of the population and is available to all upon request. It is possible to pay insurance contributions through the *call centers*, by means of credit cards.

This year too the NII website underwent improvements to provide better services and more information to the public. The personalized service website, launched towards the end of the previous year, enables clients – using the secret code – to obtain a wealth of personal information such as insurance status, claim status, benefit payments, payments of insurance contributions, and more.

The website includes a number of calculators that provide estimates of the amount of benefit to which a person may be entitled. This year, a number of new calculators were added to the existing ones for the convenience of surfers; the new calculators include ones for estimating the amount of income support benefit, maternity allowance, work injury pension, weighted disability degree in medical committees and insurance contributions due from a salaried employee and a person on early pension, as well as a simulator to check one's entitlement to old-age pension. The previously existing calculators include ones for estimating the amount of reserve service benefit, child allowance, old-age pension, unemployment benefit and disability pension.

It should be noted that the site in English is being constantly updated, and contains press releases and information on rates of benefits, rules of entitlement, and more. The site in Arabic has been operative since 2007, and includes 40 bilingual claim forms available for downloading. The site in the Russian language came on the air in March 2010, and includes news, explanations on claims forms, an order form for authorizations and a form for contacting the NII. (The NII address on the internet: <http://www.btl.gov.il>.)

Other innovative services include an on-line form for complaints or appeals and a link to Facebook in all languages.

## OLD-AGE AND SURVIVORS

### Terrorist burial bill

In November 2009, the Ministerial Committee on legislation approved a bill that denies terrorists' right to be reimbursed for burial expenses from the National Insurance Institute (Amendment 116 to the National Insurance Law).

This amendment – which is in force as of January 2010 – adds another benefit to the list of those already denied to the spouses and children of terrorists – persons who commit nationalistic-motivated crimes. These benefits currently include old-age pensions, disability pensions and survivors' pensions (to widows and orphans).

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The number of recipients of old-age and survivors' pension increased in 2010 by 2.1%, to 758,500 recipients as a monthly average.

The old-age and survivors' pension rates for 2010, basic and including income supplement, are shown in the following table.

### Old-Age and Survivors' Pension Rates 2010 (NIS)<sup>1</sup>

<b>Old-Age</b>	<i>Adult</i>	<i>Adult with one child</i>	<i>Adult with two or more children</i>	<i>Couple without children</i>	<i>Couple with one child</i>	<i>Couple with two or more children</i>
basic	1,384	1,823	2,262	2,078	2,517	2,956
with income supplement (age under 70)	2,552	4,042	4,904	3,780	4,642	5,504
with income supplement (age 70-79)	2,619	4,152	5,015	3,892	4,753	5,615
with income supplement (age 80+)	2,739	4,324	5,185	4,062	4,924	5,785
<b>Survivors</b>	<i>Young widow/er</i>	<i>Widow/er</i>	<i>Widow/er with one child</i>	<i>Widow/er with two children</i>	<i>Orphan</i>	<i>Two orphans</i>
basic	1,037	1,384	2,030	2,676	861	1,722
with income supplement (age under 70)		2,552	4,042	4,904	1,829	2,661
with income supplement (age 70-79)		2,619	4,152	5,015	1,829	2,661
with income supplement (age 80+)		2,739	4,324	5,185	1,829	2,661

<sup>1</sup> The rates in this and all other tables are given in Israeli new shekels. In 2010 the average exchange rate was approximately \$1 = NIS 3.73.

## **LONG-TERM CARE**

### Long-term care benefit in cash instead of in-kind services for persons who employ a full-time caregiver

The National Insurance Institute is conducting a pilot under which the recipient of a long-term care (LTC) benefit who employs a full-time caregiver may receive his long-term care benefit in cash to his bank account, and may employ his caregiver exclusively, without the intervention of an LTC company.

Until December 31, 2010, persons belonging to the following local NII branches may participate in this experiment: Ashdod, Ashkelon, Bnei Brak, Jerusalem, Nahariya, Ramat Gan and Tiberias.

A person who is not interested in participating in the experiment may continue with his existing arrangement, under which the LTC company employs the caregiver for the number of hours determined for the entitled person, and the entitled person employs the caregiver for the remaining hours. Persons may also switch between cash and in-kind benefits.

A person who lives in one of the localities indicated above and who meets all of the following conditions may submit a request for the cash benefit:

1. A long-term care benefit at the rate of 150% or 168% (or 75% or 84%, for a person who receives a reduced benefit due to income) has been determined for him;
2. He employs a caregiver for at least 12 hours a day, 6 days a week;
3. The caregiver is not a relative;
4. The caregiver is employed for wages, under a written contract.

If the caregiver is a foreign worker, he must have a permit from the Immigration Authority.

### Continued entitlement to long-term care benefit during hospitalization

Under Amendment 117 to the National Insurance Law, a person entitled to a long-term care benefit may continue to receive his benefit for the first 14 days of his hospitalization in a general hospital. He will receive his benefit at the same rate as prior to his hospitalization, on condition that he is released from the hospital within 90 days.

This amendment, which does not apply to persons in nursing homes, is in effect as of March 1, 2010.

Previous to the change, all kinds and lengths of hospitalization had ruled out entitlement to benefit.

### Rate of benefit for elderly in need of part-time supervision

The long-term care benefit is paid at the rate of 91% of the full individual disability pension (9.75 weekly care hours) to persons who have become dependent to a large extent on the help of others for the performance of everyday functions, or who are in need of partial supervision.

Under an administrative change in effect as of August 1, 2010, this rate of benefit may be paid on the basis of need for supervision, even if the elderly person did not accumulate a set number

of points on the ADL test, if it is determined that he is indeed in need of supervision due to his mental state.

Previous to the change, those elderly who did not reach a certain ADL score were denied entitlement to benefit in all cases.

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 The number of recipients of long-term care benefits rose in 2010 by about 3.6%, reaching about 141,500 recipients as a monthly average.

The long-term care benefit rates for 2010 are shown below.

**Long-Term Care Benefit Rates**  
**2010 (NIS)**

<i>Partially dependent</i>				<i>Very dependent</i>				<i>Fully dependent</i>			
<i>Eligible for full benefit</i>		<i>Eligible for half benefit<sup>1</sup></i>		<i>Eligible for full benefit</i>		<i>Eligible for half benefit<sup>1</sup></i>		<i>Eligible for full benefit</i>		<i>Eligible for half benefit<sup>1</sup></i>	
<i>Services</i>	<i>cash</i>	<i>services</i>	<i>cash</i>	<i>services</i>	<i>cash</i>	<i>services</i>	<i>cash</i>	<i>services</i>	<i>cash</i>	<i>services</i>	<i>cash</i>
1,837	1,470	919	735	3,029	2,423	1,515	1,212	3,392	2,714	1,696	1,357
Increment to benefit to those employing an Israeli caregiver only				549	444	275	222	731	586	366	293

<sup>1</sup> 50% reduction as a result of income test.

## **GENERAL DISABILITY**

### Expanding the scope of polio victims entitled to compensation

Under a judgment of the High Court of Justice on February 1, 2010, persons who were stricken with polio before 1948 (before the establishment of the State of Israel) are now entitled to compensation for polio victims from the National Insurance Institute, on condition that they became stricken with polio within the borders of the land of Israel as determined in the cease-fire agreements signed in the course of 1949.

Regarding a person whose claim for compensation was rejected by the National Insurance Institute because he was stricken with polio before the establishment of the State of Israel – the NII now re-examines his entitlement and contacts him to assist him take up his rights, without any need for him to contact the NII.

The change is in effect retroactively from January 1, 2007 (when the Law for Compensation for Polio Victims came into force).

Previously, only persons who were stricken with polio after the establishment of the State of Israel were entitled to compensation from the NII.

### Disabled children receive more benefits (Or-Noy regulations)

A benefit for disabled child is provided to families in Israel in order to help them care for their disabled children at home.

A series of changes in the regulations pertaining to this benefit came into effect in February 2010. The main such changes are:

- Change in categories of entitlement to benefit. The previous four categories (a child dependent on the help of others, a child requiring constant supervision, a child with a special impairment, a child requiring special medical treatment) are reduced to three categories (a child dependent on the help of others, a child with a special impairment – includes a child requiring a constant presence – and a child requiring special medical treatment). Each of these categories includes new sub-categories.
- Changes in benefit rates in some of the categories of entitlement.
- Changes in entitlement to the study grant, so that all schoolchildren (including those over 14, as opposed to the previous situation) will be eligible for the grant.
- Changes in the rules regarding families who go abroad, allowing the continued payment of benefits if the families are abroad as State emissaries.

In 2010 the number of general disability allowance recipients grew by 3.5%, reaching about 207,174 as a monthly average. The number of attendance allowance recipients and recipients of benefit for disabled child rose by 6.2% and 5.0%, respectively.

The general disability benefit and attendance allowance rates for 2010 are shown in the following table.

**General Disability Benefit and Attendance Allowance Rates**  
**2010 (NIS)<sup>1</sup>**

	<i>Individual</i>	<i>Couple</i>	<i>Couple with child<sup>2</sup></i>
<b>General Disability</b>	2,160	3,240	4,103
	<i>For performing most daily tasks most hours of the day</i>	<i>For performing all daily tasks most hours of the day</i>	<i>For performing all daily tasks all hours of the day</i>
<b>Attendance Allowance</b>	1,010	2,120	3,533

<sup>1</sup> The rates that appear here are of benefits to disabled persons with 100% disability. Benefits to persons with a lower degree of disability are percentages of the full benefit, according to the degree of disability.

<sup>2</sup> The increment is paid for each of the first two children only.

## MOBILITY

Persons aged over 3 but not over the *retirement age*, as determined in law for men, who are disabled in their lower limbs (according to a specified list of impairments) are eligible for a mobility benefit, provided under the Mobility Agreement with the Ministry of Finance and paid by means of the National Insurance Institute.

The Mobility Agreement provides to persons disabled in their lower limbs – those having a driving license whose degree of mobility limitation is at least 40% and those without a driving license whose degree of mobility limitation is over 60% – the following main benefits:

- a standing loan to cover the taxes on a car;
- a monthly mobility allowance to help cover mobility expenses.

No major changes in the Mobility Agreement came into effect in 2010.

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The number of recipients of mobility allowance grew in 2010 by 4.1%.

The mobility allowance rates for 2010 are shown in the following table.

### Mobility Allowance Rates<sup>1</sup> 2010 (NIS)

<i>Earners, drives himself</i>				<i>Earners, does not drive himself</i>	
<i>Small car</i>	<i>Medium-size car</i>	<i>Large car</i>	<i>Huge car</i>	<i>Small car</i>	<i>Medium-size car</i>
1,509	2,049	2,552	2,801	1,505	2,043

<sup>1</sup> To persons with 80%-100% mobility limitation.



## INCOME SUPPORT

### Income from social support

Under a new practice, and in accordance with labor court decisions, regular income from family support or support from welfare agencies is now to be taken into account in calculation of the income support benefit – if such income amounts to above 13% of the average wage for a single person or above 17% of the average wage for a family.

Previous to the change, there were no uniform guidelines on the question of income from social support.

The change is in effect as of January 2010.

### Benefit for child of prisoner

Under Amendment 35 to the Income Support Law, a child, resident of Israel whose parent, also resident of Israel, has been in prison or under arrest for over 30 days, is eligible for an income support benefit, even if the other parent – with whom he lives – is not a resident of Israel.

Previous to the change, it was not possible to pay an income support benefit for such a child.

The change is in effect as of April 1, 2010.

### Benefit for person under house arrest and for person supervising spouse or child under house arrest

Under Amendment 35 to the Income Support Law, a person whose conditions of house arrest prevent him from working is exempt from the employment test requirement for eligibility for income support benefit.

Similarly, a court-appointed person supervising his spouse or child under house arrest, whose supervision prevents him from working, is also exempt from the employment test requirement.

Previous to the change, entitlement to benefit for such persons was conditional on the employment test; that is, they were obligated to register themselves at the Employment Service as jobseekers.

The change is in effect as of April 1, 2010.

### Calculation of income of separated woman

Under Amendment 35 to the National Insurance Law, the maintenance pay awarded by the court to a woman separated from her spouse is not taken into account as income in the calculation of the income support benefit, if the woman does not meet the definition of *entitled woman* under the Maintenance Act (is under age 60, has no child with her, and is capable of supporting herself).

Previous to the change, the maintenance pay awarded by the court was taken into account as income, even if the woman was not entitled under the Act.

The change is in effect as of April 1, 2010.

#### Termination of Welfare-to-Work program

At the end of April 2010, the Welfare-to-Work (Integration of Benefit Recipients into Work) program, which had operated as an experimental program since August 2005, was terminated.

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The number of families receiving income support benefits in 2010 was lower than its level in the previous year: 109, 407 recipients as a monthly average.

The income support benefit rates for 2010 are shown in the following table.

#### **Income Support Benefit Rates** 2010 (NIS)

Family composition	Under age 55		Aged 55 or over
	Regular rate <sup>1</sup>	Increased rate <sup>2</sup>	
<i>Individual</i>	1,595	1,794	1,994
<i>Individual with 1 child<sup>3</sup></i>	2,393	2,672	2,826
<i>Individual with 2 or more children<sup>3</sup></i>	2,672	2,991	3,304
<i>Couple</i>	2,193	2,393	2,991
<i>Couple with 1 child</i>	2,393	2,672	3,469
<i>Couple with 2 or more children</i>	2,672	3,110	3,948
<i>Single parent with 1 child</i>	2,672	2,672	3,224
<i>Single parent with 2 or more children</i>	3,110	3,110	4,022

1. Paid to persons who had been entitled to the regular rate of the benefit in December 2002 or who began receiving the benefit in January 2003.
2. Paid to persons who had been entitled to the increased rate of the benefit in December 2002.
3. Not defined as a single parent in the Single-Parent Families Law

## MAINTENANCE (ALIMONY)

The Maintenance-Guarantee of Payment Law, which came into effect in 1972, aims at guaranteeing means of subsistence to a woman who possesses a judgment for maintenance, and to her children, regardless of her capacity to enforce this judgment. When the husband obligated does not voluntarily comply with the judgment and does not pay the woman the maintenance to which she is entitled according to the judgment, the law enables the woman to turn to the National Insurance Institute in order that the Institute enforce the judgment; that is, pay an maintenance benefit to the woman and in parallel, collect this money from the person obligated by means of enforcement procedures.

The payment is granted to the woman for as long as the husband is obligated to pay her maintenance. The rate of the payment is as determined in the judgment or under the regulations (of the Maintenance-Guarantee of Payment Law) – whichever is the lower rate. With the NII guaranteeing to pay the woman and her children the maintenance to which she is entitled, it also takes upon itself all that is involved in collecting the amount specified in the judgment. Therefore, only a woman who does not take steps to enforce the judgment on her own or who ceases enforcement procedures before she applies to the NII is entitled to payments.

No major changes in Maintenance Insurance came into effect in 2010.

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In 2010 an average of 20,012 women received maintenance benefits from the National Insurance Institute every month.

The maintenance rates for 2010 are shown in the following table.

### Maintenance (Alimony) Rates 2010 (NIS)

Family composition	Woman under 55	Woman aged 55 or over
<i>Single woman without children</i>		
<i>Previously entitled<sup>1</sup></i>	1,794	
<i>Newly entitled<sup>2</sup></i>	1,595	1,994
<i>Single woman with children</i>		
<i>With one child</i>	2,672	3,224
<i>With 2 or more children</i>	3,110	4,022
<i>Woman who remarried</i>		
<i>With one child</i>	1,829	1,829
<i>With 2 or more children</i>	2,661	2,661
<i>Children alone</i>		
<i>One child alone</i>	1,829	
<i>2 children alone</i>	2,661	
<i>Each additional child</i>	798	

<sup>1</sup> Entitled to maintenance before January 1, 2003.

<sup>2</sup> Entitled to maintenance as of January 1, 2003.

## CHILDREN

### Retroactive payment of study grant

A study grant is paid under Children Insurance to needy families, for their school-age children. Under amendments to articles 74 and 296 of the National Insurance Law, the study grant shall not be paid retroactively for a period of over 18 months since the date of submission of claim (as is generally the rule with national insurance benefits).

Previous to the change, there had been no limitation on the retroactive payment of the study grant.

This change, in effect as of March 2009, applies to claims submitted on August 2007 and thereafter.

The following two changes are incorporated in the Economy Arrangements Law for 2009 and 2010:

### Gradual change in the amounts of child allowance paid for the second, third and fourth children in families

The child allowances paid for the second, third and fourth children in families are to be gradually raised from July 1, 2009 to April 2012.

In the first stage, the allowance for the third and fourth child in families will be raised: for the third child by NIS 60 and for the fourth child by NIS 93. (That is, families with 4 or more children will receive an additional NIS 153 a month). In the second stage, the allowance for the second child in families will be raised. By the end of the process, in 2012, another NIS 100 will be received by families for each of their second, third and fourth children.

### Payment of child allowance in extended families (amendment to article 69 of the National Insurance Law)

In cases in which an insured man has children from a number of wives, and all his children were born after June 1, 2003, the calculation of the amount of child allowance to be paid to the family will be in accordance with the total number of the man's children, and the payment will be paid to each wife for her children.

Previous to the change, the amount of the child allowance was calculated for each wife separately, for her own children.

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In 2010, the number of families receiving child allowance grew by 1.8%, and about a million families (as a monthly average) receive allowances for about 2.5 million children.

The child allowance rates for 2010 are shown in the following table.

**Child Allowance Rates (per child)**  
**2010 (NIS)**

<b>Date of birth of child</b>	<b>Period</b>	<i>First child</i>	<i>Second child</i>	<i>Third child</i>	<i>Fourth child</i>	<i>Fifth child and subsequent children</i>
Before June 1, 2003	<i>January-June</i>	165	165	251	446	366
	<i>July-December</i>	165	195	284	446	366
On or after June 1, 2003	<i>January-June</i>	165	165	219	252	165
	<i>July-December</i>	165	195	252	252	165

## MATERNITY

The Maternity Insurance Law came into effect on April 1, 1954, and was one of the first branches set up in the National Insurance Institute.

Maternity insurance provides a hospitalization grant, a birth grant and a maternity allowance for working mothers (up to 14 weeks after giving birth). In certain cases, the father may replace his wife for part of the maternity leave.

Furthermore, travelling expenses to the hospital for giving birth are covered by the NII.

An additional benefit granted in this framework is a risk pregnancy benefit, to a woman resident of Israel who is an employee or self-employed, who ceased working due to need for bed rest as a result of a risk pregnancy.

No major changes in Maternity Insurance came into effect in 2010.

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The number of recipients of the hospitalization grant went up by about 6.6% and the maternity allowance by about 5.7% in 2010.

The rates of the various maternity benefits for 2010 are shown in the following table.

### Maternity Insurance Benefit Rates 2010 (NIS)

Period	Hospital- ization grant	Birth grant (for birth of one child only)			Maximum daily maternity allowance
		For the first child	For the second child	For the third child and subsequent children	
January	9,258	1,615	727	484	1,346
Feb.-August	9,813	1,615	727	484	1,346
Sept.-Dec.	10,098	1,615	727	484	1,346

## WORK INJURY

Under the National Insurance (Work Injuries) Law, all workers are insured against the risk of work accidents and occupational diseases.

It is compulsory for all employers to insure their employees (except for policemen, jailers, and defense employees) against the above risks. Such employees include those regularly or temporarily employed, for daily or monthly wages, full-time and part-time workers.

All employees working in Israel – as well as the self-employed – are insured, regardless of the age or nationality of the workers.

Upon the death of an insured person who suffered a work injury (work accident or occupational disease), his relatives – the widow/widower, orphans, parents and other close relatives (defined as dependants) may be entitled to work injury benefits.

No major changes in Work Injury Insurance took place in 2010.

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 In 2010, the number of recipients of work injury allowance decreased by 3.1%. The number of recipients of permanent disability benefit (out of total work injured) grew by about 4.7%, while the number of recipients of dependents' benefit decreased slightly – by 0.2%.

The maximum rates in 2010 for daily work injury allowance and monthly work disability benefit are shown in the following table.

### **Maximum Work Injury Allowance and Work Disability Benefit Rates** **2010 (NIS)**

<i>Daily work injury</i>		<i>Monthly work disability</i>	
<i>Employees<sup>1</sup></i>	<i>Self-employed and employees<sup>2</sup></i>	<i>Employees<sup>1</sup></i>	<i>Self-employed and employees<sup>2</sup></i>
605.55	1,009.25	18,167	30,278

<sup>1</sup> Employees injured before January 1, 1995.

<sup>2</sup> Employees injured after January 1, 1995.

## **PRISONERS OF ZION**

Under the Law of Benefits for Prisoners of Zion and their Families-1992, a resident citizen of Israel, recognized as a Prisoner of Zion by the competent authority in the Ministry of Absorption, is entitled to benefit from the National Insurance Institute.

Non-disabled Prisoners of Zion are also eligible for benefit, conditional on an income test. Furthermore, disabled Prisoners of Zion are eligible for an additional income-based benefit, in addition to their regular, basic benefit.

Disabled Prisoners of Zion are also entitled to in-kind benefits including medical care and vocational rehabilitation.

Relatives of Prisoners of Zion who are in jail or who have passed away may be entitled to various benefits.

No major changes in the Law took effect in 2010.



## **HOSTILE ACTION CASUALTIES**

### Continued benefits to remarried widows

Under Amendment 30 to the Families of Soldiers Killed in Action Law, as of March 2010, an IDF widow will continue to be recognized as such and will continue receiving benefits even after her remarriage. Following this amendment, the National Insurance Institute continues to pay a monthly benefit as well as special benefits to widows and widowers of hostile action victims, even after they remarry.

Furthermore, as of March 1, 2010, the National Insurance Institute renews payments to all widows and widowers of hostile action victims whose benefits had ceased being paid due to their remarriage.

Previously, payment of the monthly benefit and special benefits to widows and widowers ceased upon their remarriage, when they received a lump-sum grant.

### Increased benefit to full orphan

Under Amendment 28 to the Hostile Action Benefits Law, a person orphaned from both parents, one of whose parents died as a result of a hostile (terror) act, is entitled to an increased monthly benefit until he reaches the age of 25, at which time he receives a lump-sum payment, paid in two installments.

The change is in effect as of April 1, 2010, and it is not retroactive.

Previous to the change, the monthly benefit was paid until the age of 21.

### Absence from work on Memorial Day

Under Amendment 27 to the Hostile Actions Benefits Law, a *relative* of a person who died as a result of a hostile (terror) act is entitled to be absent from work on Memorial Day, and is considered as if he worked that day – just as is the case with relatives of fallen soldiers.

A *relative* is defined as a bereaved parent, grandparent, spouse (widow or widower), child (orphan), or sibling of the hostile action casualty.

The change is in effect as of May 2010.

## RESERVE SERVICE

### Submitting a personal claim on the internet for persons serving in the reserves

As of May 2010 , self-employed workers and persons who do not work (including students) can fill out a claim form for reservists' benefit and submit it on the personal service internet site, on condition that this is not the first claim that they submit.

In most cases, the NII pays the benefit to the self-employed worker automatically, in accordance with the information received from the IDF, with no need to submit a claim.

Use of the personal service site is conditional on receiving a personal code and password. These may be attained at a local NII branch.

### New service to reservists who receive unemployment benefits

As of December 2010, persons serving in the military reserves who are entitled to unemployment benefits during the period of their reserve duty receive their reservists' benefit automatically to their bank account, with no need to submit a claim to the National Insurance Institute.

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The minimum and maximum daily reserve service benefit rates for 2010 are shown in the following table.

### **Reserve Service Benefit Rates – Per Day** **2010 (NIS)**

<i>Minimum</i>	<i>Maximum</i>
180.77	1,329.17

## UNEMPLOYMENT

### Delay of entitlement to unemployment benefits to law and accounting interns

Under the Economy Arrangements Law of 2009-2010, lawyers and accountants who complete their internship and who registered for an ordination test are not entitled to unemployment benefits for a period of two months preceding the date of the test.

This change applies to interns who registered for the ordination test that takes place on June 1, 2010 or thereafter.

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 The number of recipients of unemployment benefit decreased in 2010 by 19.7%, down to a monthly average of 58,634 recipients. The unemployment benefit rates for 2010 are shown in the following table.

### **Unemployment Benefit Rates** **2010 (NIS)**

<i>Maximum daily benefit to a single person<sup>1</sup></i>		<i>Discharged soldier's benefit</i>	
<i>First period</i>	<i>Second period</i>	<i>Regular work (daily benefit)</i>	<i>Vital work (one-time grant)</i>
320.60	213.73	95.70	8,804

<sup>1</sup> The first period is the first 125 days of the maximum period of benefit payment to which the unemployed person is entitled, during which the daily unemployment benefit shall not exceed the daily average wage. In the second period (beginning with the 126th day of payment), the daily unemployment benefit shall not exceed 2/3 of the daily average wage.

## **REHABILITATION**

Under the National Insurance Law-1968, and Amendment 13 to this law (1974), the right to vocational rehabilitation is granted to work-related injured persons, general disabled persons (disability caused at birth, by an accident or illness) and survivors (widowers, widows and orphans). Under the Benefits to Hostile Action Casualties Law (1974), a basket of services, benefits and rights – including the right to vocational rehabilitation – is granted to injured victims of hostile or terrorist acts and to families of persons killed as a result of such acts.

The vocational rehabilitation services are provided by means of the rehabilitation departments located in all local branches of the NII throughout the country. These departments, staffed by rehabilitation officers who are professional social workers trained in the field of vocational rehabilitation, implement the law and policy determined in the Rehabilitation Bureau at the head office of the NII, while maintaining ongoing contacts with other NII branches, relevant community agencies and public bodies.

The rehabilitation process commences with the location of candidates for vocational rehabilitation, by means of referral from a NII branch or community body, self-referral or “reaching-out” initiatives. Every rehabilitee undergoes diagnosis, after which an individual rehabilitation plan is built for him in accordance with his specific needs and capabilities. In most cases the plan includes a vocational course or completion of academic studies. Some plans include also group programs such as empowerment workshops, preparation for work sessions, etc. Upon completion of the plan, the rehabilitee may use placement services or undergo on-the-job training. Most services are purchased by the NII in the open market, while services from segregative frameworks (such as rehabilitation centers) may be acquired for those in need.

The Rehabilitation Bureau cared for about 19,000 rehabilitees in 2010.

In the past decade, special focus has been placed on the accessibility of rehabilitation services and on their adaptability to the needs of the severely disabled. For example, services such as translation into sign language, tutoring and special transportation were set up to provide “crutches” to rehabilitees with special needs.

Another trend, notable since 2000, is the establishment of a special network of intervention to cope with victims of the growing number of terror acts against the civilian population. During this period, there were over 2,297 such acts, injuring over 18,234 people and leaving about 975 families bereaved. The high number of injured people includes victims of continued incidents in the area surrounding Gaza in the aftermath of the Cast Lead operation, as well as late claims submitted in the aftermath of the Second Lebanon War and isolated terror acts in the course of the year. The Rehabilitation Bureau has set up a special community service for these victims, in which about 300 volunteers work in all areas of the country. In addition, a rehabilitation officer is assigned to and accompanies each victim, beginning with a visit to the hospital or to the home in a condolence call, and continuing with ongoing cash and in-kind assistance in all areas of their lives and throughout their lives. Since 2008, lessons learned from the Second Lebanon War were implemented, and panic victims were referred to emotional treatment funded by the National Insurance Institute – whether or not they submitted claims to be recognized as hostile action victims – in order to prevent post-traumatic disorders.

Despite the great burden on the Rehabilitation Bureau as a result of the numerous terror acts, the Bureau continued in 2010 to care for the other entitled population groups as well, by means of vocational rehabilitation plans and take-up of welfare rights, with special emphasis on early intervention and work integration.

## INSURANCE AND COLLECTION OF CONTRIBUTIONS

### Rise in ceiling for payment of insurance contributions

Under the Economy Arrangements Law for 2009 and 2010, the monthly income ceiling for payment of insurance contributions was raised from five times the *basic amount* to ten times the *basic amount*. The change came into effect on August 1, 2009, as a temporary order until December 31, 2010.

### Rise in rate of insurance contributions paid by employer

An additional change instituted under the Economy Arrangements Law for 2009 and 2010 was a rise in the rate of insurance contributions paid by the employer (the reduced rate) from a total of 3.45% to all insurance branches to a total of 3.85%. This rise, in effect as a temporary order from August 1, 2009 until March 31, 2011, is composed of rises in the following insurance branches: old-age and survivors, long-term care, general disability, children, maternity and work injury.

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The contribution rates for December 2010 for the various insurance branches, in addition to health insurance contributions, are shown in the following table.

**Insurance Contribution Rates**  
**December 2010 (percentages)**

Insurance branch	Employee						Self-employed	
	Total <sup>1</sup>		On employee's account		On employer's account			
	full rate	reduced rate <sup>2</sup>	full rate	reduced rate <sup>2</sup>	full rate	reduced rate <sup>2</sup>	full rate	reduced rate <sup>2</sup>
<i>Old-age and Survivors</i>	5.89	1.67	3.85	0.22	2.04	1.45	5.21	3.09
<i>Long-term Care</i>	0.20	0.06	0.14	0.01	0.06	0.05	0.18	0.12
<i>General Disability</i>	2.28	0.41	1.86	0.11	0.42	0.30	1.86	1.11
<i>Accident Injury</i>	0.09	0.02	0.07	0.01	0.02	0.01	0.08	0.06
<i>Work Injury</i>	0.59	0.41	--	--	0.59	0.41	0.68	0.39
<i>Maternity</i>	1.03	0.16	0.87	0.04	0.16	0.12	0.82	0.56
<i>Children</i>	2.08	1.47	--	--	2.08	1.47	2.40	1.39
<i>Unemployment</i>	0.25	0.04	0.21	0.01	0.04	0.03	--	--
<i>Bankruptcy</i>	0.02	0.01	--	--	0.02	0.01	--	--
<b>Total Insurance Branches</b>	<b>12.43</b>	<b>4.25</b>	<b>7.00</b>	<b>0.40</b>	<b>5.43</b>	<b>3.85</b>	<b>11.23</b>	<b>6.72</b>
<i>Health</i>	5.00	3.10	5.00	3.10	--	--	5.00	3.10
<b>Total Contributions</b>	<b>17.43</b>	<b>7.35</b>	<b>12.00</b>	<b>3.50</b>	<b>5.43</b>	<b>3.85</b>	<b>16.23</b>	<b>9.82</b>

<sup>1</sup> These rates include the share of the employee and the employer in payment of insurance contributions. In addition, the government participates in the financing of the insurance branches instead of the employer and the self-employed at a rate of 0.69%.

<sup>2</sup> On income of up to 60% the average wage.

## COUNSELING SERVICE FOR THE ELDERLY

The Counseling Service for the Elderly was set up in 1972 as a demonstration project of the National Insurance Institute, at the initiative of Mr. Leo Blumensohn. His idea was to have volunteer pensioners support other elderly persons and help them take up their rights at the NII and at other organizations. The Service began modestly with a handful of volunteers working in three local branches. Over the years it expanded considerably, and today includes thousands of volunteers in all local branches throughout the country.

The Service is a professional one, managed by social workers whose expertise is in the fields of gerontology and volunteerism. Its aim is to provide support and assistance to the elderly living in the community, by means of existing resources. The basic perception underlying its work is that there should be a direct link between the elderly person and the volunteer – *elderly to elderly* – in order that the volunteer be able to understand the elderly person's inner feelings stemming from problems related to old age.

The volunteers are required to undergo a four-month training course, during which they learn about the perception of the NII, the special needs of the elderly, the changes that occur at this age, and the skills needed in work with the elderly.

The work of the Service includes:

- Preliminary home visits – Hundreds of visits are conducted throughout the country to predefined population groups, in accordance with information from NII data banks. Groups targeted for these visits include: recipients of long-term care benefits, persons whose claim for this benefit was deferred, elderly widows, the very old (over 88), etc. In the course of the visits, conducted by specially-trained volunteers, questionnaires are filled out by means of which we may ascertain whether or not the elderly receive proper treatment, and then act accordingly.
- Regular home visits – a continued link to elderly persons in need. The volunteers assigned to these elderly become their main intermediaries and defendants.
- Counseling – Elderly persons and members of their families visit the offices of the Service and are provided with counseling on all their problems, mediating services (both with the NII and other organizations), and above all, a listening ear.
- Support groups for widows/widowers – aimed at lifting the widows and widowers out of their loneliness and depression, and helping them get back to daily functioning and social involvement.
- Support groups for spouses of ill or handicapped elderly – aimed at easing the burden of intensive care.
- Joint projects in the community – in accordance with the specific needs of the town or community. The aim is to strengthen the elderly who live in the community, providing them assistance in a wide range of fields.
- Information days for new pensioners – during which lectures on free-time culture are given, and information is provided on a variety of topics, such as community services and activities and rights in social security.
- Information days for widows who have recently become widowed, informing them of their rights in social security and in the community, including a lecture on the legal aspects of widowhood, and providing them with the opportunity to participate in a support group.

All services of the Counseling Service for the Elderly are offered free of charge.

## **FUND FOR DEMONSTRATION PROJECTS**

In 2010 the Fund for Demonstration Projects of the NII dealt with 323 *demonstration projects* and project proposals, aimed at expanding and improving social services to a variety of at-risk population groups. The Fund assists the initiators of the projects in a number of ways: it helps to define the project's aims and to plan the project, it provides financial assistance during the initial experimental period (the participating organizations must commit themselves to continue financing the project on their own beyond the experimental stage); it carries out an evaluation research of the project and it actively participates in the steering committee responsible for running the project.

The Fund's annual budget is NIS 17.1 million.

Research evaluations of projects completed – and with reports published in 2010 – are described below.

### The "Salgal" Program: a wheelchair basketball program for youth with and without disabilities

The “Salgal” Wheelchair Basketball Program is a “reverse integration” program, which – while originally designed for those with disabilities – was modified to attract and serve persons without disabilities as well. Its goal is to provide opportunities for interaction between those with and without disabilities, by establishing integrated wheelchair teams throughout the country, and introducing youth without disabilities to a unique and exciting sport that enables joint activity with peers who have disabilities – in the hope that the program will lead to the creation of a cadre of players that will eventually join adult teams.

The program is a joint effort of the Fund for Demonstration Projects of the Division for Service Development of the National Insurance Institute, the Israel Sport Center for the Disabled (Ilan), and local NGO organizations.

The findings indicate that “Salgal” has the potential to be a “serious leisure” program that can contribute greatly to the well-being of the participants – players and organizers alike.

### Business incubator program for women

The Business Incubator Program was developed by the Association for Women's Economic Empowerment. The Association was founded in 1997 in Haifa, aiming to change the social and economic status of women in Israel. The chosen strategy was to help women start small businesses. This decision was taken due to the low rate of women entrepreneurship in Israel, and the will to remove the barriers that women face in trying to establish new businesses. The Business Incubator Program's purpose was designed to structure and elaborate the specific services directed to women who started businesses, and were in contact with the Association for Women's Economic Empowerment. The experimental program was designated for 70 women, who were selected out of all enterprise women.

The findings of the research indicate that the relationship between the extent of participation in a group activity and economic success and progress of the business was much stronger than the relationship between the extent of the personal consulting the participants received and economic success. These findings reinforce the conclusion regarding the importance of an integrated range of services for the program participants' personal and business development,



including activities in large groups, activities in small groups, group consulting and personal consulting.

#### “Mechinat Kenafayim – Project Wings” : Integration of Young Disabled Adults in Study and National Service

The non-profit organization “Kivunim” ,which is involved with the development of services and programs for the advancement of young people with special needs, initiated the program “Project Wings”. According to its original goals, the program was intended for young people between the ages of 18 and 21 with disabilities, who were integrated into the regular educational system. Upon the conclusion of their education, these young people were left with no program parallel to other frameworks such as the army or National Service. Therefore, the overriding goal of the program is to provide a framework that would follow the participants throughout the process of leaving their parents’ home for relatively independent living arrangements, integration into the mainstream National Service in the community and integration in colleges.

The findings of the evaluation study demonstrate that the experimental undertaking of the Kenafayim project, in the north and the south, significantly advances young people with substantial disabilities and assists them in becoming creative and contributing citizens who are not dependent on others, who strive to achieve independent living and the realization of their aspirations and dreams, like other young people.

#### Good neighbor

The experimental program "Good Neighbor" was designed to assist families living in Upper Modiin (Modi'in Ilit) who had difficulties in performing daily activities such as: parental functioning, managing the household and the family budget, relations between husband and wife and social integration in the community. These families suffered light to medium functional problems, but no mental problems.

The evaluation finding shows that most of the adopted families benefited from the relations with the adopting family, in all aspects. Generally, having social relations with another family improved the quality of life of the adopted family.

#### Employment programs for victims of sexual assault in Haifa and Rishon LeZion

##### *Haifa*

The program "Placement in Work" for victims of sexual assault at the Bney Zion Multidisciplinary Center in Haifa was followed up by formative research evaluation for two years (June 2007 – July 2009). The goals of the program are the placement of sexual assault victims in work/studies and their empowerment. These central goals are mutually dependent: The participants must be empowered so that they can be employed, and this employment leads to their empowerment. The rationale of the program is based on an integrative conception according to which it is not sufficient to provide a therapeutic-clinical response to the victims; rather, it is necessary to see that they undergo rehabilitation. In other words, rehabilitation via employment is perceived both as a goal and as a means of returning them to a normative life, to personal and financial independence, and to involvement in society.

It seems that one of the outstanding achievements of the program is the fact that it has become an integral part of the Center's work and of the continuum of clinical and rehabilitative

responses to the victims. This is a turning-point in the work with victims of sexual assault and a conceptual expansion of it. The conclusion that it is possible to rehabilitate a substantial proportion of the victims is crucial and extremely significant.

*Rishon LeZion*

The program "Employment as a means for personal and social rehabilitation" for victims of sexual assault at the Center for Victims of Sexual Assault in Rishon LeZion was accompanied by formative research evaluation for two years (September 2007 – September 2009). The primary goal of the program is placement in work as a means of personal and social rehabilitation as well as empowerment of women who have undergone sexual assault. The underlying rationale of the program is the development of a therapeutic-rehabilitative continuum that starts with clinical treatment and assistance in coping with the trauma and its characteristics, and continues with the victim's participation in the employment program in order to help her lead a normative life that is not dominated by the trauma.

One of the main accomplishments of the employment program is the fact that it has become an integral part of the Center's work and of the full therapeutic-rehabilitation process. This process is essential for every victim who turns to the Center, and it is adapted to her needs. This is a significant conceptual change in the work with victims of sexual assault as well as an expansion of it. It reflects an inclusive approach that relates to the needs of the victims and to the aggregate of the requisite responses. The conclusion that a substantial number of victims can be rehabilitated is important, and represents a source of increased motivation and hope for clients and therapists alike.

## **FUND FOR DEVELOPMENT OF SERVICES FOR PEOPLE WITH DISABILITIES**

In addition to the provision of various benefits for the people with disabilities, the National Insurance Institute provides funding for the development of new and the enhancement of the existing network of services for the people with disabilities in Israel, through the Fund for the Development of Services for People with Disabilities.

The Fund has for the past thirty five years provided major assistance for the purchase of new equipment, renovations and for new building to a multitude of governmental, municipal and voluntary non-profit service providers. In the year 2010 there were about 1,150 projects (including applications and projects in process); 140 of these approved in the course of that year.

The Fund draws its budget from the annual allocation earmarked for the General Disability Insurance branch (NIS 105 million in 2010), and it provides allocations for a very wide range of disabilities – including the developmentally disabled, emotionally disabled, blind, visually disabled, deaf and hearing-impaired, motor-function disabled, autistic, learning disabled and individuals with disease-related disabilities.

The Fund considers its main goal as one of fostering the integration of the disabled in the community at large. It provides assistance for the initiatives of only those service-providers who can provide proof of their ability to maintain and operate their services for an extended period. To date, it has provided funding for hundreds of services in virtually every town and city in the country. The main types of services developed by the Fund are community residences, vocational rehabilitation and sheltered workshops, leisure activities, and special education, early childhood intervention programs and accessibility infrastructure.

Community Residences – The Fund has been a primary catalyst in the development of residential services for the disabled, which have experienced an enormous expansion in the past five years. Funding is provided for a continuum of different residential options, such as hostels, sheltered apartments and training apartments. Support for community residences is provided for individuals who are either developmentally disabled, emotionally disabled, autistic or learning disabled. During 2010 assistance was provided for the purchase of basic equipment for 425 new residents with disabilities which enabled the opening of 75 new community residences throughout the country. In 2011, the Fund will focus on developing community residences for individuals with severe physical, cognitive or emotional disabilities.

Employment Services – the Fund has assisted in improving basic work conditions throughout the country. These workshops provide a basic work situation for individuals aged 18 or older who lack the basic skills for full employment in the work force. In the past several years the Fund has helped establish twenty new workshops, mostly located in outlying areas and in the Arab sector. The Fund is currently supporting the building of twenty additional workshop centers, some of which are intended to integrate individuals with various disabilities. The Fund also provides extensive assistance for establishing pre-employment therapeutic centers for individuals with severe cognitive, emotional and physical disabilities who are unable to function in a sheltered employment center. Assistance is also provided for the establishment of small businesses operated by individuals with disabilities such as catering services, direct-mail services, a variety of packaging services and laundry services. Extensive assistance is also provided for expanding employment training centers which provide short-term intensive

training and placement services for individuals with disabilities who seek employment in the workforce at large. In 2009, the Fund initiated a special trail program to encourage employers in the private sector to hire individuals with disabilities. The Fund intends to assist prospective employers to develop their infrastructure on the condition of receiving a guarantee to employ individuals with disabilities for a period of several years.

Higher Education – Recently, the Fund has expanded its assistance to students with a variety of disabilities in major universities and institutions of higher learning. The Fund has been instrumental in establishing Support Centers for students with visual disabilities in all the main universities and during 2010 the Fund embarked on a nationwide initiative to establish Integrated Support Centers for all Students with Disabilities. Through this initiative, which is in conjunction with the Fund for Demonstration Projects and the Council for Higher Education, assistance has already been provided for the development of 4 centers and during 2011 6 more support centers will be developed.

Therapeutic Day Centers for Adults – During the past several years, the Fund has helped to establish a nationwide network of Therapeutic Day Centers for adults with severe physical, cognitive and emotional disabilities, who are unable to participate in employment programs. These Centers provide occupational, physical and speech therapy, assistance with activities of daily living, recreational programs and support for the families of the disabled.

Special Education – The Fund has provided assistance to scores of special education programs for the purchase of equipment in the following areas: therapeutic programs, pre-work training programs, independent living training, specialized playground and group activities and specialized computer accessories and software. Increasingly in recent years, the Fund has become more involved with integrative and mainstreamed varieties of special education, as these begin gradually to replace the more traditional segregated forms of education, especially for the more mildly disabled.

Early Intervention – Having recognized the importance of early detection and intervention of developmental disabilities in the 0-5 population, the Fund has been a primary mover in the establishment of community-based treatment centers. These centers provide physical occupational speech and psychological therapy under the guidance and supervision of the main Child Development Centers. With the passage of the Rehabilitative Nursery School Law, the Fund has expanded its assistance to establishing special nurseries throughout the country.

Recreational Activities – recognizing the importance of recreational activities as an essential component in the well-being of the developmentally-disabled individual, the NII has provided support for a multitude of both segregate and integrative recreational programs. These include afternoon community clubs for young adults, evening recreational social clubs for adults, sports facilities and music and drama centers.

Hydrotherapy – In 2007, the Fund approved renewed funding for the building of therapeutic swimming pools. During this year, an extensive study was carried out on all existing therapeutic pools, and clear guidelines were established for building and operating these pools. During 2008 and 2009, funding was provided for the establishment and development of ten therapeutic pools.

Accessibility – In order to facilitate the full integration of the disabled in Israeli society, the Fund has expanded its traditional role of developing services that primarily serve the disabled. In 1998, the Fund embarked on a national program to ensure accessibility of the disabled to all public services. These include Government offices, municipal buildings, schools, universities, museums, theatres, and courts as well as outdoor recreational sites such as the National Parks'

nature reserves and picnic areas. Assistance is provided for special adaptations required by the physically disabled, such as ramps, paths, elevators, chair-lifts and adapted restrooms. Additionally, special adaptations have been provided for the visually and hearing disabled such as Braille signs, “ringing” traffic lights, special 3-D models, audio guides and FM systems for screening background noises. The Fund intends through these efforts to enhance public awareness of the need for accessibility to all services and to serve as a catalyst for additional funding sources. In 2005, as a result of growing public awareness and partly due to the involvement of the NII in funding accessibility projects, a new accessibility law was passed by the Knesset, as part of the “Equal Rights for People with Disabilities Law” of 1998. During 2011 and 2010, and until the full implementation of the law, the Fund is focusing its efforts on expanding accessibility in institutional residences, universities and colleges, as well as in informal education settings such as community centers and libraries. In 2010 The Fund completed a four year initiative which earmarked NIS 6 million for the development of accessibility infrastructure at major tourist locations around the country. The program, which was funded jointly by the Ministry of Tourism, focused on major sites such as nature preserves, world heritage sites, museums and public recreation facilities. Priority was given to sites that are already partially accessible, with special focus on accessibility adaptations for individuals with a sight, hearing or cognitive disability. During the period of 2011 and 2012, the Fund will also significantly expand its budget for accessibility projects and will be focusing on new areas of involvement. These will include: assistance to public organizations which serve people with disabilities to increase the accessibility of their internet web sites; developing new accessible technology, and a special initiative for accessibility in Jerusalem’s Old City, a site which annually attracts many millions of visitors. In 2010, the Fund embarked on a national initiative to develop integrative municipal parks that promote play and social interactions between children with disabilities and their peers. Additionally, in 2011 funding will be provided for courses to train accessibility representatives from all of the local municipalities.

Computer Literacy – In 2010, the Fund expanded its special initiative which provides computers and peripheral equipment for children with disabilities in conjunction with the Ministry of Education and the Computer for Every Child Association. In 2010' the initiative was expanded into the Southern District of the country which includes a large Bedouin population, and in 2011, the Fund will provide computer equipment for children in other parts of the country as well as for children with visual disabilities. In 2011, the Fund will also begin a pilot training program in basic computer literacy for adults with disabilities .

Institutional Residences – In addition to its commitment to the development of community services, the Fund has since 1994 embarked on a massive program – together with the Ministry of Social Affairs – to improve the quality of life in twenty large governmental and public voluntary residences for the developmentally disabled. Efforts have been concentrated on refurbishing residential pavilions, building new housing to cope with chronic overcrowding, building day activity centers and improving basic infrastructure.

Multi-service Centers – In the past few years, there has been a growing trend to develop multi-service centers that provide a wide range of programs under one roof, such as afternoon leisure clubs for children, respite services, small workshops, therapeutic day programs and support and referral services. The Fund has helped develop these centers especially in outlying, peripheral areas that have smaller numbers of clients, and where it is economically unfeasible to establish separate services.

## **FUND FOR DEVELOPMENT OF LONG-TERM CARE SERVICES FOR DEPENDENT ELDERLY**

Under Article 237A of the National Insurance Law, the National Insurance Institute finances the development of community and institutional services for frail elderly individuals who are limited in activities of daily living and require long-term care services.

In 2008 the Fund's assistance to developing new services amounted to about NIS 36 million. The Minister of Social Affairs and the Minister of the Treasury authorize projects approved by the NII, after consultation with the Public Council.

The Fund assists public bodies in the development of infrastructure and equipment for services, contingent on the commitment to finance operating expenses of the program for which assistance is requested.

The Fund supports service development in four primary areas: building, expanding and enhancing day centers for the elderly, including raising the standard of day centers by adding functions such as physiotherapy, health fitness equipment and therapeutic gardening; expanding and developing sheltered housing environments; additions and upgrading of beds and physical environment in nursing homes.

In 2008 the Fund approved 29 new programs, which included 18 community and 11 institutional projects. During this year, a total of 300 projects received funding from the Fund. It should be noted that in the course of 2008, the Fund provided funding for fortifying and protecting elderly in day-care centers and old-age homes in southern Israel which were bombed by Kassam rockets from the Gaza strip.

## **FUND FOR ACTIVITIES OF SAFETY AND HYGIENE IN THE WORKPLACE**

Under Article 149 of the National Insurance Law, the National Insurance Institute participates in the funding of activities aimed at safety and the prevention of work accidents in factories or in other workplaces. The Fund's current budget in 2010 is about NIS 7.8 million, all which is spent on projects.

Such activities include:

- research in the area of safety and hygiene in the workplace, aimed at formulating conclusions which are widely applicable to prevent or reduce work accidents;
- examining the conclusions of the above research by means of their experimental application in a certain workplace, in order to examine the extent of their applicability and contribution to the promotion of work safety and hygiene;
- the survey, mapping and evaluation of existing and future risks in workplaces, and the proposal of solutions to remove these risks;
- activities of information, training and practice of behavior to prevent work accidents in workplaces;
- developing or improving means, tools and accessories aimed at increasing safety and hygiene in the workplace, in order to offer them to other employers;
- conducting nationwide information campaigns by means of the mass media and other means of publication, aimed at developing awareness concerning safety and hygiene at work.

In 2010, the Fund operated about 70 projects, some of them new and others carried on from previous years.

The main new projects for 2010 deal with preventing exposure to dangerous substances and to noise in small and medium-sized workplaces.

Exposure to dangerous substances in the workplace may lead to acute poisoning or to cumulative chronic damage, which cause occupational disease. Exposure occurs through the respiratory tracts and the skin, and may cause diseases such as cancer, liver diseases and damage to the central nervous system. Thousands of workers are exposed to poisonous substances, but there are no central data on morbidity rates as a result of occupational exposure to dangerous substances.

Hearing deterioration as a result of exposure to noise in the workplace isolates the injured person from his environment and causes him many difficulties in his day-to-day functioning. Awareness of noise damage is low among workers, and adherence to protective measures or to measures that reduce noise is not strict enough.

In addition to its new focus, the Fund continued in 2010 to support projects aimed at improving the work safety and hygiene of workers with disabilities.

## **FUND FOR DEVELOPMENT OF SERVICES FOR CHILDREN AND YOUTH**

The Fund for The Development of Services for Children and Youth was established in 2004 with the aim of developing services for children and youth at risk. In Israel there are well over 350,000 children whose functioning is impaired due to conditions of neglect, poverty or abuse (physical, sexual or emotional). All these factors affect the normal development of these children and leave them exposed and in distress. In these difficult times, children are often in the most sensitive position and their welfare is the most threatened.

The strategic aims of the Fund as defined for the first three years were to develop programs in the following areas:

- a) *To provide a "second chance" to at-risk youth for matriculation exams, higher education and provision of job skills;*
- b) *To prevent and reduce violence among children and youth, by means of intervention in educational and community frameworks;*
- c) *To treat and support children who are victims of sexual abuse;*
- d) *To develop programs for at-risk youth and young girls in distress;*
- e) *To promote programs for enhancing parenting skills.*

The Fund participates in welfare programs aimed at developing local, regional and nationwide services in the community by means of assistance in funding these programs for defined periods, with other bodies – the government, local authorities or public bodies – committing themselves to operate the program after this initial period.

150 projects have been approved to date (in the course of five years), and have begun to be implemented, with a total budget of NIS 200 million.

In 2009 and in 2010 the emphasis is on preparing underprivileged and at-risk youth for the future work force. Preference is given to programs that stress life skills and work skills, hopefully better preparing youth for employability. In order to be effective in this goal, it is important to start working intensively with children already at the middle-school level.

Although the emphasis in the Fund's call for proposals is changing, it will continue to work intensively with the projects already approved. These projects are of a very large range and focus on working with children from every sector of the population, whether these are ultra-Orthodox, national religious, Bedouin, or other. In each of these sectors special emphasis is placed on working with girls at risk and each project is matched with the special needs of each community. Furthermore, the Fund has been instrumental in the establishment of treatment centers for children who are victims of sexual abuse.

With the Fund's intervention, services have been developed that are an integral part of the network of services for children at risk, remembering all along that children are the country's future, and that the children of today need to be given better opportunities so that they will have a better future and will not need to depend on benefits from the National Insurance Institute.



## **INTERNATIONAL CONVENTIONS ON SOCIAL SECURITY**

International social security conventions, bilateral and multilateral, are designed to assure equality of treatment or reciprocal treatment, the right to export benefits, as well as to protect rights of persons and their families who move from one country to another for employment or other reasons. The need for such conventions stems from the fact that social security programs do not usually give adequate consideration to the special needs of persons who are outside its jurisdiction. Israel, as an immigration country, is interested in such conventions in order to assure each beneficiary an adequate benefit for prior social security credits in their country of origin.

Another dimension of these international conventions is the need to avoid dual coverage and contributions for workers posted temporarily by their employer in another country, while assuring continuity of protection and adequate benefits under the social security legislation of their country of origin.

### Bilateral conventions

Israel signed the first bilateral convention in 1957. Since then, continuous efforts have been made to enlarge the scope of our international cooperation through bilateral conventions. At the present time, seventeen such conventions have been concluded and are in force.

The bilateral conventions presently in force between Israel and other countries are shown in the following table.

**Bilateral Conventions**

<b>Country</b>	<b>Date of Signature</b>	<b>Operative Date</b>	<b>Coverage</b>	<b>Insurance Branches</b>	<b>Competent Institution</b>
<i>United Kingdom</i>	April 29, 1957	Nov. 1, 1957 Amending protocol: April 1, 1984	British or Israeli citizens who are employees or self-employed and members of their families	Old-Age, Survivors, Maternity, Children, Work Injury and Occupational Diseases	The Pension Service, International Service, Newcastle upon Tyne, England NE98 1BA <sup>1</sup>
<i>Netherlands</i>	April 25, 1963	Nov. 1, 1963 New Agreement: Sept. 1, 1985  Amendment: December 1, 2003	Dutch or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Maternity <sup>2</sup> , Children, Unemployment, Work Injury and Occupational Diseases	SVB Vestiging Roermond Postbus 1244 6040 KE Roermond Netherlands
<i>France</i>	December 17, 1965	October 1, 1966	French or Israeli citizens who are employees, and members of their families	Old-Age, Survivors, Maternity, Children (Family Assistance), Work Injury and Occupational Diseases	C.L.E.I.S.S. 11 rue de la Tour des Dames, 75436 Paris, Cedex 09, France
<i>Belgium</i>	July 5, 1971	May 1, 1973	Belgian or Israeli citizens who are employees, and members of their families	Old-Age, Survivors, Work Injury and Occupational Diseases	Office Nationale de Securite Sociale, Place Victor Horta 11, 1060 Bruxelles, Belgique
<i>Austria</i>	November 28, 1973	December 1, 1974	Austrian or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Maternity, Children (Family Assistance), Unemployment, Work Injury and Occupational Diseases	Pensionsversicherungs-Anstalt Friedrich Hillegeist str 1, 1021 Wien, Postf 1000, Austria
<i>Germany</i>	December 17, 1973	May 1, 1975	German or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Maternity, Work Injury (Occupational Diseases)	DRV Bund 10704 Berlin, Germany ----- DRV 40215 Dusseldorf 1, Germany
<i>Sweden</i>	June 30, 1982	July 1, 1983	Swedish or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Maternity, Children, Unemployment, Work Injury and Occupational Diseases	Pensionsmyndigheten, Box 855, SE 971 26 Lulea, Sweden

<sup>1</sup> An additional institution in UK: Inland Revenue, Centre for Non-Residents-BP1301, Benton Park View, Newcastle Upon Tyne, NE98 1ZZ, England.

<sup>2</sup> Cash benefits only (not hospitalization).

**Bilateral Conventions (cont'd)**

<b>Country</b>	<b>Date of Signature</b>	<b>Operative Date</b>	<b>Coverage</b>	<b>Insurance Branches</b>	<b>Competent Institution</b>
<i>Switzerland</i>	March 23, 1984	October 1, 1985	Swiss or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors and Disability	Caisse Suisse de Compensation, 18 Ave Ed Vaucher, CH-1211 Geneva 28, Switzerland
<i>Italy</i>	January 7, 1987	November 21, 1989	Italian or Israeli residents employed in the territory of the other country	None	Ministero del Lavoro e della Previdenza Sociale 17, Via della Trezza 00187 Roma, Italy
<i>Poland</i>	October 31, 1991	December 31, 1991	Polish or Israeli citizens entitled to work injury or occupational disease benefits	Work Injury and Occupational Diseases	Zaklad Ubezpieczen Spolecnych Biuro Rent Zagranicznych ul. Senatorska 1000-082 Warszawa, Poland
<i>Denmark</i>	July 3, 1995	April 1, 1996	Danish or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Work Injury and Occupational Diseases, Maternity and Children	Pensionsstyrelsen, Landemaerket 11, 1119 Kobenhavn K, Denmark
<i>Finland</i>	September 15, 1996	September 1, 1999	Finnish or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Work Injury, Maternity and Children	The Social Insurance Institution KELA Office for Int'l Affairs, PO Box 72 00381 Helsinki, Finland <sup>1</sup>
<i>Uruguay</i>	March 31, 1998	November 1, 1999	Uruguan or Israeli citizens, employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Work Injury and Maternity	Banco de Prevision Social, Gerencia de Area de Investigacion, y Asuntos Internacionales, Calle Colonia 1921 Piso 1 Montevideo, Republica Oriental del Uruguay
<i>The Czech Republic</i>	July 16, 2000	July 1, 2002	Czech or Israeli citizens, refugees and stateless persons and their dependants	Old-Age, Survivors, Disability, Work Injury, Maternity and Children	Caska sprava socialnino zabezpeceni, Krizova 25, 225 08 Praha 5 Czech Republic
<i>Canada</i>	April 9, 2000	September 1, 2003	Canadian or Israeli citizens, refugees and stateless persons who are employees or self-employed.	None	CCRA, Ottawa Tax Services Office, 333 Laurier Avenue West, Ottawa ON K1A 0L9 Canada
<i>Norway</i>	May 23, 2006	April 1, 2008	Norwegian or Israeli citizens, refugees and stateless persons who are employees or self-employed.	Old-Age, Survivors, Disability, Work Injury, Maternity and Children	NAV – National Office for Social Insurance Abroad, Postboks 8138 Dep N-0033 Oslo, Norway
<i>Republic of Bulgaria</i>	March 25, 2008	September 1, 2009	All persons who are or who have been subject to the Israeli or Bulgarian social security legislation, their family members and their survivors.	Old-Age, Survivors, Disability, Work Injury and Maternity	National Social Insurance Institute, Directorate for European Integration and International Treaties, Alexander Stamboliiski Blvd 62-64, Sofia 1303, Republic of Bulgaria.

<sup>1</sup> An additional institution in Finland: Elaeketurvakeskus, 0065 Elaeketurvakeskus, Finland.

## **FUTURE CHANGES**

### Adjustment of national insurance benefits

National insurance benefits will be adjusted by 2.3% in January 2011 in accordance with the Consumer Price Index.

Furthermore, the third and final stage of raising the amount of the old-age and survivors' pensions took place in January 2011, when these pensions were raised by another approximate 2%, thereby ending the process that began in August 2009, and leading to an overall rise of 7.3%.

Altogether, in January 2011, the old-age and survivors' pensions rose by 4.3% – stemming from both the adjustment of all benefits and the aforesaid raise in pensions.

### Benefit to reserve soldiers

The Knesset's Labor, Welfare and Health Committee has approved the first reading of a bill which would require an employer to pay an employee on reserve duty the same pay he would have received had he not been called to reserve duty.

The bill also states that in cases where an employee returns from reserve duty and the National Insurance Institute gave his employer a payment in excess of regular salary, the employer will be required to pay this amount to the employee.

### Income from property in income support

Under a proposed amendment, when a claimant for income support benefit owns a financial property (such as bank savings – except for a provident fund) or real estate (such as an apartment, plot or store), this property will be considered as producing income of a rate of between 2% and 8% monthly, depending on the type of property and on the current market rate – for purpose of calculation of the income support benefit.

Presently, such property is considered under law as producing a set income of 8% monthly.

### Birth grant to women who give birth at home

A proposal that has been authorized by the Executive Board of the NII would enable payment of a birth grant to women who give birth at home, without conditioning the grant on hospitalization.

Under the proposal, in order to maintain the health of the mother and the newborn, they must both be examined by an authorized physician at a hospital within 36 hours of the birth.

*Trends and Developments 2010*

Under the present law, a woman who does not give birth in a hospital is not entitled to the birth grant, unless she is hospitalized within 24 hours of giving birth.

Maternity allowance to foster parents

Under a proposed amendment, foster parents will be eligible for maternity leave and maternity allowance, under the same conditions and at the same rates as are biological and adopting parents.

Under the proposal, foster parents who care for a child aged up to 3 will be eligible for a full maternity leave (14 weeks), while those who care for a child aged over 3 will be eligible for a maternity leave of one month. The maternity allowance will be paid accordingly.

At present, there is no eligibility for maternity allowance for foster families.