



# Summary of Trends and Developments in Social Security

2018





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# Introduction

The National Insurance Institute (NII) is the backbone of Israel's social security system. The NII plays a central role in reducing poverty, decreasing inequality and protecting individuals from economic and social uncertainty. It also works to lead and shape the welfare policy of the State of Israel.

The purpose of national insurance is to prevent social and economic distress and to strengthen social cohesion and solidarity. Its main tools are payments (pensions and benefits), some are universally shared among all residents of the country (e.g. child allowance or old-age pension), and some are selectively available to those eligible. The efficiency of these benefits is measured by their ability to reduce economic uncertainty and prevent temporary and long-term livelihood risks.

## **The National Insurance Vision**

The NII is the leading professional body in the field of social security in Israel.

**Policy** – The NII operates according to the Law for the Implementation of the Welfare Policy of the State of Israel, and is an influential partner in the formulation and maintenance of these policy principles: mutual responsibility, reducing social gaps, reducing poverty and ensuring the existence of the social security system over time.

**Service** – The NII will act proactively, efficiently and with sensitivity to human dignity, so that every insured person can exercise his or her rights. The path of the NII will be based on constant striving for excellence, adapting to the changing needs of service users and maintaining continuous contact with the insured population and the community.

**Quality** – The NII will be a magnet for a professional, high quality, and ethical personnel that performs its work with a sense of mission, responsibility and belonging. The NII will work to develop human resources and continuously improve its available tools.

## **The National Insurance Institute in Numbers**

The NII provides services to approximately 8.8 million residents of the State of Israel. In 2018, the NII paid benefits to the residents of Israel for a total of about NIS 87 billion.

As in every year, in 2018 the NII operated about 30 social programs that included 130 types of payments and services, including old-age pensions, child allowances, long-term care benefits, income support benefits and various types of disability benefits.

Beside above payments, in 2018 the Institute made investments, through NII funds, of approximately NIS 193 million in the development of social services. The funds supported and financed 254 social services - either in construction, renovation and equipment, or in implementation of social programs.

The NII has about 4,000 employees who responded this year to approximately 25.5 million inquiries of insured people by all service channels: public reception in 80 branches and service centers, inquiries by telephone, via the website, and self-service stations.



# **Major legislative changes – 2018**

## **Determining the Degree of Disability for Victims of Work Injury**

This amendment to the "List of Impairments" corrects the details of impairments number 29, 30-31 in the First Addendum to the National Insurance Regulations (Determining the Degree of Disability for Victims of Work Injury), 1956 (hereinafter: "the Regulations"), enabling the Medical Board to use supportive physiological examinations in determining the degree of disability in neurological syndromes.

## **Vocational Training for the Parents of a Disabled Child Who Passed Away**

This amendment expands the group of persons entitled to vocational training and subsistence allowance, and provides that the parents of a deceased disabled child for whom a benefit has been paid, will be entitled to vocational training, including subsistence allowance and diagnostic expenses.

## **Cancellation of the Condition of Those Who Were Orphaned Before the Age of 37, in Hostile Actions Casualties**

As part of the amendment to the law, the definition of "orphan from both parents due to hostile action" was expanded, and the condition according to which only those who had been orphaned from both parents before the age of 37 would be recognized, was canceled.

The amendment also provides that an orphan of both parents, as previously mentioned, who became an orphan prior to the date of the present law, will be entitled to a one-time grant in the amount of NIS 500 thousand and to benefits and allowances thereafter.

## **Retroactive Payment with Respect to Child Allowance**

The amendment cancels section 296 (b1) of the Law, which provides that the retroactive payment with respect to child allowance will be limited to a period of

3 months preceding the date of filing the claim, as long as the child was registered in the population registry 30 days after his birth.

After the amendment to the Law, a person who registered his child in the population registry 30 days after his birth will also be entitled to a retroactive payment for 12 months as stipulated in Section 296 (b) of the Law with respect to all the benefits.

### **Birth and Parenting Period for a Spouse in a Multiple Birth**

An amendment was made to the Women's Employment Law, which included an indirect amendment to section 49 of the National Insurance Law. The amendment allows spouses in multiple birth, under certain conditions, to stay concurrently on maternity leave (birth and parenting period) for two weeks out of the three weeks provided as an addition for each additional child born at the same birth.

### **Amendment of the Definition of "Partial Supervision" and "Constant Supervision"**

The National Insurance Regulations (Disabled Child) 2010 define the population entitled to an allowance for a disabled child in accordance with the child's functioning, the medical treatment he needs, the disability he suffers from or the level of supervision of the child required.

For children whose condition requires supervision, the regulations stipulate two levels of entitlement. One is at a 50% rate for "a child in need of constant supervision of others" and the other at 100% for "a child in need of a constant presence."

From public inquiries to NII, it emerged that there is lack of clarity as to the interpretation of these definitions and the difference between "constant supervision" and "constant presence" based on which various benefit rates are granted.

Therefore, these definitions have been amended so that both will deal with "supervision" but the low level of entitlement will require "partial supervision" while the high level of entitlement will require "constant supervision."

## **Payment for a Newborn**

The provisions of sections 62 and 63A in Chapter Three (Maternity Insurance) of the National Insurance Law [Consolidated Version] 1995 (hereinafter: "the Law") stipulate that an insured woman who died at the time of birth or within one year of the date of birth, as well as an insured woman who has been determined to have a 100% degree of earning incapacity and is unable to care for the newborn, a special payment will be paid to her spouse according to the conditions prescribed by the Minister in the regulations.

Under the National Insurance Regulations (Special Payment for a Newborn) 1973, it is prescribed that the spouse's entitlement to the special payment would be 14 weeks (which is the period of time that was set at that time in the main law as the period of entitlement for a woman who accumulated a full qualifying period).

In April 2017, entitlement to maternity leave for insured women was extended from 14 weeks to 15 weeks for those who had accumulated a full qualifying period.

The amendment states, accordingly, that the period of special payment for the maternity leave period in the law will be extended to 15 weeks.

## **Burial in Every Cemetery in Israel for Victims of Hostile Actions**

The amendment stipulates that the family of a victim of hostile action will be entitled to bury the deceased in any cemetery in Israel, including in a closed cemetery or an exceptional burial plot, irrespective of the place of death or place of residence of the deceased.

Burial expenses will be paid directly by the NII to the burial society, in an amount not to exceed double the rate prescribed in the First Addendum to the Jewish Religious Services Law (Consolidated Version), 1971.

## **Anchoring the Rights of Hostile Actions Victim's Survivors**

The amendment anchors the rights of hostility action victim's relatives and provides that even in cases where families are entitled to a retirement pension under the Civil Service Law, their entitlement to full rights under the Victims of Hostile Actions (Pensions) Law will not be affected.

The amendment changes the existing law, according to which a hostility victim's family, that has chosen to receive a pension by virtue of the Civil Service Law

(in case this law applies to the victim) was required to waive most of its rights under the Victims of Hostile Actions (Pensions) Law and to remain with a partial pension of only  $\frac{1}{4}$ , and accompanying benefits.

According to the amendment, if the spouse or orphans are entitled to benefits under the Victims of Hostile Actions (Pensions) Law, the family will be entitled to full benefits under that law, as well as to a pension by virtue of the Civil Service (from which half of the amount of the benefits or half of the pension amount will be deducted, whichever is lower).

### **Employment Test for a Single Parent**

The purpose of the amendment is to exempt a single parent who spends most of his or her time studying, or both studying and working, from the employment test, in order to help single parents acquire a profession which may improve their income and let them leave the circle of those in need of a benefit.

The amendment provides that a single parent who studies and meets the conditions set forth in section 4(3)(b) of the Law (see Definitions Section) will be exempt from the employment test, namely:

If in 2018 the number of hours during which he or she studied, or both studied and worked, was at least 30 hours per week, and from 2019 onwards, the number of hours during which he or she studies, or both studies and works, is at least 36 hours a week.

### **Financial Support Not Included in the Calculation of Income for Benefit Eligibility**

Following a ruling in the National Labor Court, the existing procedure was changed and now financial support received by the insured from any source cannot be taken into account in the calculation of income.

### **Employment Test Exemption for "Choosing Parent"**

The amendment to the law allows for the choice of the parent exempt from the employment test due to the care of a child under the age of two.

## **Modification of Long-Term Care Benefit Levels**

The amendment to the law was included in the Long-Term Care National Plan passed by the government on January 10, 2018, in order to expand, improve and increase the efficiency of long-term care services for the disabled elderly.

Following are the highlights of the amendment:

1. Transition from three levels to six levels of benefit.
2. Increasing the number of weekly service units at the highest levels.
3. Expansion of the possibility of choosing a monetary benefit and the possibility of combining a monetary benefit with services, in order to enable the insured person to utilize the benefit for additional needs, other than the services provided by the NII.
4. Change of the scoring to an individual.

## **Exemption from Insurance Contributions to Long-Term Care Benefit Recipients Employing a Non-Israeli Worker**

As of April 2018, the recipient of a long-term care benefit who employs a foreign worker – whether the employment is carried out through a manpower company or done privately – will be exempt from reporting and paying insurance contributions for the salary he pays privately to the foreign worker, up to the amount of NIS 5,500 per month.

## **Legislative Changes Following the Agreement With the Disabled**

As part of the agreement between the disabled organization and Israel government, it was decided to make legislative amendments in favor of disability pensions recipients.

Within the framework of this agreement, a roadmap was agreed upon, which provides a solution to two main issues regarding disability benefits recipients:

1. Increasing the pension to all disabled people.
2. Encouraging and assisting disabled people to integrate into the labor market and raising their earning ability.

The roadmap will take effect in three stages: March 1, 2018, 2020 and 2021.

## **State Treasury's Participation Rate – Collection**

In 2018, the rate of participation of the State Treasury with respect to collection of insurance contributions was as follows: In January-February 50.94%, and as of March, the rate increased to 57.16%. The change in participation rate occurred as a result of the Agreement with the Disabled, as well as changes in the long-term care and old-age pensions.

# Client Service

The NII service strategy puts focus on the client and the full exercise of his rights in the NII, and sharpens the need to initiate and increase lines of activity in this area.

2018 was characterized by extensive activity in this field: new tenders were issued for call centers and for clothing, the long-term care reform, improving data, work plans were built, management routines were implemented to deepen the employees' service awareness and their knowledge. Approximately 60 new service representatives in the branches were certified and 30 representatives in advanced courses. In addition, the relationship between the insured person and the service representative was strengthened by means of scheduled telephone calls.

The Institute has greatly promoted the service by digital means: sending claims and documents via the internet, the number of entrances to a personal service site that reached 9.2 million in 2018, the possibility of ordering a personal code for the NII website directly through e-mail, transparency on the handling status of claims submitted, promotion of the green revolution by providing marketing lectures at branches.

In 2018, the call center handled approximately 5.1 million calls, the use of the internet channel increased significantly in 2018. The actions carried out through the website include filing claims, sending documents to the service representative and receiving letters by email, as part of the green revolution.

During 2018, a new service was introduced: scheduling an appointment at a branch through the website.

## **Number of inquiries by service channel, 2017-2018:**

	2017	2018	Change rate (%)
Reception	3,251,570	3,032,007	-6.8%
Call centers	5,744,408	5,085,158	-11.5%
Internet	14,284,474	15,015,276	5.1%
Self-service stations	2,313,510	2,375,558	2.7%
Total	25,593,962	25,507,999	-0.3%

# Old Age

## Financial support

On May 17, 2018, the National Labor Court issued a ruling stating that the calculation of the income should not include the amounts of financial aid that one receives from any source, whether from a family or from any other source, and no limitations or maximum have been set for these amounts. Applicability from June 1, 2018.

The number of recipients of old age and survivors' pensions in 2018 was 1,000,274, about 3.5% more than in 2017.

## Monthly old-age pension (NIS)

	Without children	With one child	With two children
Individual	1,531	2,021	2,507
Couple	2,307	2,793	3,279

A person over the age of 80 receives an additional NIS 87.

## Old-age pension plus income supplement – Increased rate (NIS)

	Without children	With one child	With two children
<b>for those under age 70</b>			
Individual	3,189	5,365	6,301
Couple	5,041	5,978	6,915
<b>for those who have reached age 70 and under 80</b>			
Individual	3,221	5,414	6,351
Couple	5,090	6,027	6,965
<b>for those who have reached 80+</b>			
Individual	3,252	5,463	6,400
Couple	5,139	6,077	7,014



# Survivors

The total number of recipients of survivors' pension in 2018 was 95,131, a decline of about 1% compared to 2017.

## Survivors' pension (NIS)

Young widow	Single adult	Single adult +1 child	Single adult + 2 children	A child without parents	Two children without parents	Age 80+ supplement
1,154	1,535	2,255	2,975	954	1,908	87

## Survivors' pension plus income supplement (NIS)

Single adult	Single adult +1 child	Single adult + 2 children	A child without parents	Two children without parents	Supplement per child
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### for those under age 70

3,189      5,365      6,301      2,029      2,973      867

### for those who have reached age 70 and under 80

3,221      5,414      6,351      2,029      2,973

### for those who have reached age 80+

3,252      5,463      6,400      2,029      2,973

# Long-Term Care

## **Retroactive Payment to the Employer of a Foreign Worker**

Section 229 of the Law provides that notwithstanding the provisions of section 296, entitlement to a long-term care benefit shall commence at the end of seven days from the day on which the claim for the benefit was submitted. This means that the long-term care benefit is not paid retroactively.

Nevertheless, in light of the fact that employment of a foreign worker is a complex form of employment, and in order to assist the elderly and their families, it was decided allow retroactive payment of the benefit to:

- Elderly persons who employ a foreign worker and are entitled to a monetary benefit;
- Service providers employing foreign workers in the care of an elderly person.

Conditions for retroactive payment:

A retroactive payment of a monetary benefit to the entitled person who employs a foreign worker shall be possible for a period of no more than three months preceding the submission of a claim for a monetary benefit, provided that during that period:

- The entitled person did not receive personal care through a service provider;
- The entitled person has a permit to employ a worker;
- The entitled person has the staffing for employment the worker.

## **Change in Benefit Levels:**

In the Economic Efficiency Law (Legislative Amendments to Achieve Budget Goals for Budget Year 2019) of 2018, which was passed by the Knesset on March 14, 2018, the benefit levels in long-term care were changed and the use of monetary pensions was increased over benefits in kind (services).

Following are the highlights of the amendment:

1. Transition from three levels of pension to six levels of pension and definition of dependency score at each level.
2. Increase in the number of weekly service units at high levels.
3. Expanding the possibility of choosing the monetary benefit and combining a monetary benefit with services, in order to enable the insured person to utilize the benefit for additional needs, other than the services provided by the NII.
4. Scoring modification for an individual.

### **Combination of Monetary Benefit + Services to Eligible People at Levels 2-6**

Those entitled to levels 2-6 may choose to receive a sum of money of up to one-third of the service units to which they are entitled, if a professional visited their home and assessed that the benefit would enable the provision of long-term care services at a scope and level appropriate with their needs.

As long as a professional person had not visited the home of the entitled person, he may choose to receive a monetary value of up to four service units per week from the service units to which he is entitled.

Those eligible for first level, 2.5-3 dependency points, are given three options:

- A benefit in cash of 5.5 service units (without a reduction of 20% of the value) that can be used for any purpose. As of November 1, 2018, the benefit amounts to NIS 1,407 per month.
- 9 hours per week that can be used needs other than personal care at home, such as a visit to a daycare center, absorbent products, panic buttons and laundry services.
- 5.5 units that can be used for personal care at home or to combine various services (including combination with a monetary benefit).

Eligible persons on the eve of the reform receive the highest long-term care benefit of the two – either the benefit to which they were entitled prior to the reform, or that they are entitled according to the provisions of the reform.

### **Exemption from Insurance Contributions to Long-Term Care Benefit Recipients Who Employ a Foreign Worker**

As of April 2018, the recipient of a long-term care benefit who employs a foreign worker – whether the employment is carried out through a manpower company or whether it is done privately – will be exempt from reporting and paying insurance contributions on the wages he pays privately to the foreign worker, up to NIS 5,500 per month.

### **Approval to Employ Family Members as Caregivers of Those Entitled to a Long-Term Care Benefit**

As of April 22, 2018, service providers are allowed to employ family members, including first degree relatives, if they are interested and found suitable for the care of the elderly who is entitled to a long-term care benefit. The employment of family members in the care of the elderly will be possible provided that the caregivers report their work time through a remote registration system.

### **Provision of Additional Long-Term Care Hours to Those With an Unused Permit to Employ a Foreign Caregiver**

As of June 2018, those entitled to a long-term care benefit at the high or middle level (before the reform in benefit levels) or at levels 3-6 (after the reform in benefit levels) who have an unused permit to employ a foreign caregiver, will receive the same long-term care benefit as those without such a permit or whose permit was suspended. Information on whether or not the permit has been exercised is obtained at the NII from the Population and Immigration Authority.

In 2018, the monthly average number of long-term care benefit recipients was 177,360, an increase of about 4.7% in comparison with 2017.

The following rates are updated for the period between January 1, 2018 and October 31, 2018.

**Long-term care benefit – number of weekly service units by level of benefit**

	Employs a non-Israeli caregiver	Employs an Israeli caregiver
Fairly dependent	9.75	9.75
Very dependent	16	19
Completely dependent	18	22

Service unit = one weekly hour

Those who receive half the pension due to income test are given half the number of service units.

**Long-term care monetary pension (NIS)**

	Employs a non-Israeli caregiver	Employs an Israeli caregiver
<b>1/1/2018 to 31/3/2018</b>		
Fairly dependent	1,955	1,955
Very dependent	3,208	3,810
Completely dependent	3,610	4,412
<b>1/4/2018 to 31/10/2018</b>		
Fairly dependent	1,996	1,996
Very dependent	3,275	3,889
Completely dependent	3,684	4,503

Those who receive a half pension due to income test are given half the amount.

From November 1, 2018 to December 31, 2019, pension levels are changed as follows:

Pension levels	Number of weekly service units*	Israeli or non-Israeli caregiver	Pension amount (NIS)
Level 1	5.5		1,407
Level 2	10		2,047
Level 3	12	Non-Israeli	2,456
	15	Israeli	3,070
Level 4	16	Non-Israeli	3,275
	19	Israeli	3,889
Level 5	19	Non-Israeli	3,889
	23	Israeli	4,708
Level 6	24	Non-Israeli	4,912
	28	Israeli	5,731

\* According to the first stage of the reform in the pension levels that began in November 2018.

# General Disability

## Legislative Changes Following the Agreement with the Disabled Organization

Within the framework of this agreement, it was decided on a roadmap providing a solution to two main problems relating to the people receiving disability pensions:

1. Increasing the pension for all disabled people.
2. Encouraging and assisting disabled people to integrate into the labor market and increase their earning ability.

This roadmap is implemented in three stages: first in March 1, 2018, second in 2020, and third in 2021.

According to the approved amendment, after the third stage, disability pension rate will not be below NIS 3,700 for a total budget of NIS 4.341 billion, and as of 2022, the pension will be linked to the average wage.

In 2018, the number of disability pension recipients was 250,902 – an increase of 3.6% in comparison with 2017.

In 2018, the number of attendance allowance recipients was 62,077 – an increase of about 6% in comparison with 2017.

### General disability pension per month – 100% Disability (NIS)

Disabled individual	Disabled person with a spouse			Dependents' supplement	
	Without children	With one child	With 2 children	Spouse	Child
3,272	4,447	5,386	6,325	1,175	939

### Monthly allowance for the disabled and housewife dependent on much help from others for daily functioning (NIS)

Disabled individual and housewife largely dependent on others		
For <b>most</b> daily activities, most hours of the day	For <b>all</b> daily activities, most hours of the day	<b>Completely</b> dependent, for all daily activities
1,098	2,460	4,128

## **Expanding Eligibility for Children With Chromosomal Syndromes and Multiple Impairments**

A policy change was made regarding the manner in which eligibility is determined, providing that eligibility due to a need for full supervision and a 100% pension will be granted in the following cases:

1. For children with Down syndrome from 90 days to 6 years of age – considering the burden borne by parents of toddlers with Down syndrome, which requires full parental supervision due to frequent medical events requiring close parenting and care.
2. For those for which three entitling grounds were established, each one granting a 50% pension – considering the fact that these are children with multiple disabilities, which cause a great deal of burden and complex coping due to difficult illnesses, requiring full supervision of the parent (referring to those who were entitled to a 50% pension until now). It should be emphasized that this policy of determining the need for attendance in cases of multiple grounds for a 50% entitlement, applies to all recipients of a child disability pension, and not only to children receiving an allowance for Down syndrome.

## **Amendment of the Definition of "Partial Supervision" and "Constant Supervision"**

The National Insurance Regulations (Disabled Child) of 2010, define the population entitled to a disabled child allowance in accordance with the child's functioning, the medical treatment he needs, the disability he suffers from or the level of supervision required of the child.

For children whose situation requires supervision, the regulations stipulate two levels of entitlement. One is at a 50% rate for "a child in need of constant supervision" and the other at 100% for "a child in need of a constant presence." Therefore, these definitions have been amended so that both will deal with the notion of "supervision" but the low level of entitlement will require "partial supervision" while the high level will be deal with "constant supervision."

In light of the interpretations of the definitions and the difference between "constant supervision" and "constant presence" based on which various benefit



rates are granted, the definitions were changed, to correlate the definition with the level of entitlement:

- The term "constant supervision" was changed to "partial supervision" with a pension rate of 50%, as before.
- The term "constant presence" was changed to "full supervision", with a benefit rate of 100%, as before.

The change is effective from October 22, 2018.

In 2018, the number of benefit recipients for a disabled child aged 0-2 was 60,604 – an increase of about 10% in comparison with 2017.

**Allowance for a disabled child (NIS)**

Benefit type	50%	100%	188%
Monthly pension without additional monthly allowance	1,098	2,196	4,128
Special pension	151	373	573

In 2018, the number of benefit recipients for a disabled child aged 3-7, 8-18 was 15,114 – an increase of about 12% in comparison with 2017.

# Mobility

The NII provides various benefits to people with lower body impairments that limit their mobility, to help them integrate into the community and develop independent lives. Although most of the benefits are granted to car owners, some benefits are also given to non-car owners. The benefits are paid for by state funds of the Ministry of Finance, under a Mobility Agreement signed between the Ministry of Finance and the NII.

## **Mobility allowance for earners with 80%-100% mobility disability**

	Small vehicle	Medium vehicle	Large vehicle	Very large vehicle
Driver	1,544	2,103	2,610	2,880
Non-driver	1,540	2,099		

In 2018, the number of mobility allowance recipients was 42,976 – an increase of approximately 5% in comparison with 2017.

# **Income Support**

## **Employment Test Exemption For a "Choosing Parent"**

In January 2018 was passed a legislative amendment whose purpose is to treat men and women equally with respect to the employment test exemption for the parent of a child up to the age of two years, and to let parents who are same sex partners to put forth parenthood cause.

The amendment to the law is effective from May 1, 2018.

Until the law was amended, an exemption from employment test was given only to the mother of a child up to the age of two. The exemption was given to the father only if he was a single parent. According to the amendment, the default option for employment test exemption related to the care of a child under the age of two is given to the mother, but the parents can choose otherwise which of them will be the parent exempt from the employment test.

However, the regulations excluded situations in which the father is not allowed to be a "choosing parent" and the woman would remain exempt from the employment test. In addition, the law stipulates the choice may not be changed for six months if the other spouse is examined on ground of job seeker during the month of the choice. The rules of this Circular also apply to the examination of entitlement of same-sex couples who have a child under the age of two.

## **Financial Support**

On May 17, 2018, the National Labor Court issued a ruling stating that income calculation should not include the sums of financial aid received from any source, whether from family or any other source, and no limitations or upper limits have been set for these amounts.

According to a legal opinion, the provisions of the judgment should be applied in current cases as of June 1, 2018.

## **Vocational Training for the Parents of a Disabled Child Who Passed Away**

This amendment expands the group of persons entitled to vocational training and subsistence allowance, and determines that the parents of a deceased

disabled child for whom a benefit had been paid, will be entitled to vocational training, including subsistence allowance and expenses related to diagnosis.

### **Employment Test for a Single Parent**

The purpose of the amendment is to exempt from the employment test the single parent who spends most of his or her time studying, or both studying and working in order to help single parents acquire a profession in which they can improve their income and leave the circle of those in need of a benefit.

The amendment provides that a single parent who studies and meets the conditions set forth in section 4(3)(b) of the Law (see Definitions Section) will be exempt from the employment test, namely:

If in 2018 the number of hours during which he or she studied, or both studied and worked, was at least 30 hours per week, and from 2019 onwards, the number of hours during which he or she studies, or both studies and works, is at least 36 hours a week.

In 2018, the number of income support benefit recipients was 76,534, a decrease of 8% in comparison with 2017.

### **Income support benefit rates for people under the age of 55 (NIS)**

Individual adult	Single parent		Other		Couple		
	With one child	With two children	With one child	With two children	Without children	With one child	With two children
	2,906	3,383	2,602	2,906	2,385	2,602	2,906
	1,735						

### **Income support benefit rates for people over the age of 55 (NIS)**

Individual adult	Single parent		Couple with a non-working wife			Couple with a working wife
	With one child	With two children	Without children	With one child	With two children	With two children
	3,546	4,414	3,253	3,773	4,294	4,294
	2,169					

# Maintenance

## Financial Support

On May 17, 2018, the National Labor Court issued a ruling stating that income calculation should not include the sums of financial aid received from any source, whether from family or any other source, and no limitations or upper limits have been set for these amounts.

According to a legal opinion, the provisions of the judgment should be applied in current cases as of June 1, 2018.

In 2018, the number of maintenance recipients was 15,050 – a decline of 3.5% in comparison with 2017.

### **Maintenance rates for women under the age of 55 (NIS)**

Woman married to the debtor or unmarried woman				Remarried woman or children only		
Without children		With one child	With two children	One child	Two children	Each additional child
New	Existing					
1,735	1,952	2,906	3,383	2,029	2,973	867

### **Maintenance rates for those over the age of 55 (NIS)**

Woman married to the debtor or unmarried woman			Remarried woman or children only		
Individual	With one child	With two children or more	One child	Two children	Each additional child
2,169	3,546	4,414	2,029	2,973	867

# Maternity

## **Birth and Parenthood Period for a Multiple Birth**

An amendment was made to the Women's Employment Law, which included an indirect amendment to section 49 of the National Insurance Law. The amendment allows couples in a multiple birth, under certain conditions, to stay concurrently on maternity leave (birth and parenthood period) for two of the three weeks given as a supplement for each additional child born at the same birth.

1. An insured woman who gave birth to one child and is entitled to a maternity allowance for 15 weeks – her spouse may stay 7 days simultaneously with the mother over 14 weeks.
2. An insured woman who gave birth to one child and is entitled to a maternity allowance for 8 weeks – her spouse may stay 7 days simultaneously with the mother over 7 weeks.
3. An insured woman who gave birth to twins and is entitled to a full maternity allowance for 18 weeks – her spouse is entitled to stay together with the mother between 7-21 days over the mother's period of eligibility.
4. An insured woman who gave birth to twins and is entitled to a partial maternity allowance for 10 weeks – her spouse may stay between 7-35 days over the mother's period of eligibility.
5. An insured woman who gave birth to a triplet and is entitled to a full maternity allowance for 21 weeks – her spouse is entitled to stay together with the mother between 7-35 days during the mother's period of eligibility.
6. An insured woman who gave birth to twins and is entitled to a partial maternity allowance for 12 weeks – her spouse may stay between 7-35 days during the mother's period of eligibility.

In addition to the above, the father is entitled to replace the mother after 6 weeks since the date of birth, for the remaining period, including days of entitlement deriving from a multiple birth or extension due to the child's hospitalization. It is required that replacement was made for a period not shorter than 7 days and the mother resumed work.

## **Payment for a Newborn**

The provisions of sections 62 and 63A in Chapter 3 (Maternity Insurance) of the National Insurance Law [Consolidated Version] 1995 (hereinafter: "the Law") stipulate that an insured woman who died at the time of birth or within one year of the date of birth, as well as a woman whose earning incapacity was established at 100% and is not able to take care of the newborn, a special payment will be paid to her spouse according to the conditions prescribed by the Minister in the regulations.

Under the National Insurance Regulations (Special Payment for a Newborn) of 1973, it is prescribed that the spouse's entitlement to the special payment would be 14 weeks (which is the period of time that was fixed at that time in the main law as the period of entitlement for a person who accumulated a full qualifying period).

In April 2017, entitlement to maternity leave for insured women was extended from 14 weeks to 15 weeks for those who had accumulated a full qualifying period.

This amendment provides, accordingly, that the period of special payment will be extended to up to the maternity leave period set by the law, and be raised to 15 weeks.

In 2018, the number of birth grant recipients was 185,092, about 2% more than in 2017.

In 2018, the number of maternity allowance recipients was 134,454, approximately 3.1% more than in 2017.

## **Hospitalization Grant (NIS)**

Regular grant – 13,784

Grant in case of premature birth – 218,698

Grant rates are updated each year, in January, according to a formula set forth in the National Insurance Law, and whenever the price of a "general hospitalization day" is modified by the Ministry of Health.

**Birth grant for one birth (NIS)**

One infant			Two infants	3 infants	Each additional infant
First infant	Second infant	Third infant or more			
1,757	790	527	8,783	13,175	4,392

**Maternity allowance for a multiple birth (NIS)**

	1-3 Months	4-6 months	7-9 months	10-12 months	13-20 months
Three children	11,242	8,783	7,026	5,270	3,074
Four children	14,931	11,857	9,661	6,587	3,865
Five children	21,958	17,566	13,175	8,783	5,006

Maximum maternity allowance for salaried or self-employed women

NIS 1,463.83 per day, and maximum maternity allowance NIS 143,455.



# Children

## Retroactive Payment With Respect To Child Allowance

The amendment in question cancels Section 296 (b1) of the Law, which determined that the retroactive payment with respect to child allowance would be limited to a period of 3 months preceding the date of claim submission, as long as the child was registered in the population registry within 30 days from his birth.

After the amendment to the law, a person who registered his child in the population registry later than 30 days after his birth will be entitled to a retroactive payment for 12 months as stipulated in Section 296 (b) of the Law, with respect to all benefits.

## Child Allowance (NIS)

	for a child born after June 2003	for a child born before June 2003
First child	150	150
Second child	189	189
Third child	189	189
Fourth child	189	336
Fifth child and above	150	354

In 2018, the number of families receiving child allowances was 1,186,120 – an increase of 1.6% in comparison with 2017.

Study grant:

In 2018, the people entitled to the grant are those born from January 1, 2001 to December 31, 2012. Grant rate remains identical – NIS 1,006 per child.

In 2018, the number of children who received a study grant was 158,209 – an increase of about 12% in comparison with 2017.

In 2018, the number of families receiving a study grant was 98,873 – an increase of 2.6% in comparison with 2017.

**Savings plan for the child (NIS)**

Monthly deposit (NIS)		One-time deposit (NIS) For children born from 1/1/2017		Withdrawal grant (NIS) For children born before 1/1/2017	
Basic savings National Insurance	Additional savings Parent	Age 3	Age 13	Age 18	Age 21
50	50	251	251	502	502

# Work Injury

According to the National Insurance Law, all workers in Israel (salaried and self-employed) are insured against the risk of work injury and occupational diseases. According to the law, the employer is required to insure his employees (except for police officers, prison guards and security service employees) against these risks. Employers cover permanent and temporary employees in daily or monthly insurance. Work injury insurance is intended to assist insureds who were injured at work and to compensate them for the loss of income during the period after the injury, in which they were rendered unfit to work. For this purpose, the NII pays them a work injury allowance for a period of up to 3 months. If the injured person remains disabled because of the injury, he will be entitled to a work disability pension or a grant, as decided by a Medical Board. Moreover, the work-injured person is entitled to receive medical treatment for his injury, free of charge.

If the injured person dies as a result of the work injury, a pension or a grant is paid to his family.

## Determining the Degree of Disability for Work Injury Victims

This amendment to the "List of Impairments" corrects the details of impairments 29, 30-31 in the First Addendum to the National Insurance Regulations (Determining the Degree of Disability for Work Injury) of 1956 (hereinafter: "the Regulations"), enabling the Medical Board to rely on physiological testing in determining the degree of disability in neurological syndromes.

## Benefits to work-Injured victims (NIS)

	Maximum daily benefit day	Maximum monthly work disability and dependents benefits
Employee injured before 31/12/1994	658.73	19,762
Self-employed or employee injured after 1/1/1995	1,097.88	32,936

In 2018, the number of **work disability** pension recipients was 48,339, an increase of about 5% in comparison with 2017.

In 2018, the number of **work injury allowance** recipients was 56,874, compared with 2017.

# Reserve Service

The NII pays reserve service benefits to all those called for reserve service under the Defense Service Law and for training under the Emergency Work Service Law. The Institute also pays grants to working youth up to the age of 18 who were absent from work due to their participation in pre-military education (provided they took part in an activity as part of pre-military education for at least two consecutive days, and worked at least 30 working days in the three months preceding the activity).

## **No legislative changes were made in 2018.**

In 2018, payments were made in the amount of NIS 1,232,404, an increase of 8.5% in comparison with 2017.

## **Maximum and Minimal Reserve Service Benefits (NIS)**

	Per month	Per day
Maximum for employee/self-employed	43,370	1,445.67
Minimum benefit	5,898	196.61
Minimum grant for Gadna (youth brigades)	2,477	82.57

# Unemployment

The NII provides the unemployed with a source of subsistence for the duration of the period of unemployment until he achieves to be hired. The unemployment benefit is paid to a person who was a salaried employee and is registered at the Employment Service Bureau as unemployed, and who reports to the Employment Service to look for work. He must contact the Employment Service immediately upon termination of his employment and then report at fixed times as instructed by the Service. The Employment Service transfers the data on the number of unemployment days recorded each month to the NII, and the NII pays the insured unemployment benefits based on this information.

No legislative changes in 2018.

In 2018, the number of unemployment benefit recipients – 69,664, an increase of about 7% in comparison with 2017.

## **Unemployment benefit rate per day, 2018**

Daily basic amount	347
Daily average wage for a discharged soldier	173.50
Maximum daily unemployment benefit for a soldier who did not work since discharge	119.50
Unemployment benefit for soldiers in vocational training	83.65
Daily ceiling for calculating supplement for a soldier sent to unsuitable work	130.10
Full grant to a discharged soldier who worked in a “preferred job”	9,577
Maximum amount (maximum daily wage)	1,735
Maximum daily unemployment benefit for initial period	396.24
Maximum daily unemployment benefit for the second period	264.16

# Prisoners of Zion

Under the Compensation for Prisoners of Zion and their Families Law of 1992, a resident or citizen of Israel, recognized by the certifying authority as a Prisoner of Zion a relative of a Prisoner of Zion who is in prison, or as a member of the family of a Martyr, is entitled to benefits from the NII. The benefits are contingent on an income test.

Disabled Prisoners of Zion are also entitled to a benefit in kind (advantage), such as medical treatment and vocational rehabilitation. Relatives of a Prisoner of Zion who is in prison or died may also be entitled to benefits.

**No legislative changes were made in 2018.**

# Vocational Rehabilitation

Under the National Insurance Law (1968) and Amendment No. 13 to the Law (1974), the following groups are entitled to vocational rehabilitation:

- Those injured at work.
- Persons with disabilities (since birth, caused by accident or illness), and when they are unsuitable for rehabilitation – their spouses.
- Widows and widowers.

Vocational Rehabilitation is also given to victims of hostile action and bereaved families, as part of the benefits granted under of the Compensation for Hostile Actions Casualties Law (1974).

Vocational rehabilitation services are provided by social workers in rehabilitation departments located in local branches of the NII. These include diagnosis and evaluation, pre-vocational training, vocational training, career counseling, customized rehabilitation programs, academic education and job placement. Most services are provided by the NII, and some by designated frameworks, such as rehabilitation centers. The rehabilitation process begins with self-referral of the insured person, referral by community representative, or at the initiative of the NII.

In 2018, 244,292 people received rehabilitation services from the National Insurance Institute.



# **Workers' Rights in Bankruptcy and Corporate Liquidation**

The Employees' Rights in Bankruptcy and Liquidation Law was enacted in 1975 in order to protect workers whose rights were harmed because of difficulties encountered in their workplaces, consequent to which a liquidation or bankruptcy order was issued.

Under the law, a salaried employee whose employer went bankrupt or whose company underwent liquidation is entitled to receive a benefit from the NII that includes these payments, to which his employer remains liable, up to the maximum amount stipulated by law:

1. Wages
2. Severance pay
3. Payment to provident fund.

**No legislative changes were made in 2018.**

# Hostile Actions Casualties

Victims of hostile acts and their families are entitled, under the law, to cash benefits and various benefits in kind intended to assist them and support their recovery – such as monthly allowances, rehabilitation, annual grants and one-time grants. Eligibility is determined according to the Compensation for Victims of Hostile Acts Law of 1970. Monetary benefits are prescribed by the Disabled Law (Benefits and Rehabilitation) of 1959, and are usually calculated based on the salaries of civil servants in the administrative ranking and are updated according to economic updates (work agreements or increased cost of living).

A family member of a victim of a hostile action who was killed is entitled to a monthly pension (at the same rate as the pension paid to the family of a soldier who was killed in action), vocational rehabilitation and a one-time grant.

## **Cancellation of the Condition of Those Orphaned by the Age of 37 Regarding Victims of Hostilities**

As part of the amendment to the law, the definition of "orphan from both parents due to hostile action" was expanded, and the condition according to which only those who had been orphaned from both parents until the age of 37 would be recognized, was canceled.

The amendment also provides that an orphan from both parents, as above mentioned, who became an orphan prior to the date this law entered into force, will be entitled to a one-time grant in the amount of NIS 500,000 and to benefits and advantages thereafter.

## **Anchoring the Rights of Hostile Acts Casualties' Survivors**

The amendment enshrines the rights of relatives of hostile actions casualties' survivors and provides that even in cases where families are entitled to a pension benefit under the Civil Service Law, their entitlement to full rights under the Compensation to Victims of Hostile Actions Law will not be affected.

The amendment **modifies** the existing law, according to which when a family of a victim of hostile action to whom the Civil Service Law applies, has chosen to receive a pension by virtue of that law, it was required to waive most of its rights under the Compensation for Victims of Hostile Actions Law and to remain with a partial pension of only  $\frac{1}{4}$ , plus accompanying benefits.

According to the amendment, if the spouse or orphans are entitled to benefits under the Compensation for Victims of Hostile Actions Law, the family will be entitled to full benefits under that Law, as well as to a pension by virtue of the Civil Service Law (from which half of the amount of the benefits or half of the pension amount will be deducted, whichever is lower).

### **Burial in Every Cemetery in Israel for Victims of Hostile Actions**

The amendment stipulates that the family of the hostile actions casualties shall be entitled to bury the deceased in any cemetery in Israel, including in a closed cemetery or an exceptional burial plot, regardless of the place of death or residence of the deceased.

The cost of burial expenses will be paid directly by the NII to the burial society, in an amount not to exceed double the rate prescribed in the First Addendum to the Jewish Religious Services Law (Consolidated Version) of 1971.

# Payment of Insurance Contributions

## Insurance Contribution Rates

In 2018, national insurance and health insurance contributions for salaried employees and self-employed remained as of 2017.

### Insurance contributions collected from employers and employees by branch (% of wages), 2018

	Full rate	Reduced rate
<b>Total</b>	<b>19.50</b>	<b>6.95</b>
<b>Total under the National Insurance Law</b>	<b>14.50</b>	<b>3.85</b>
Old age and survivors	5.89	1.52
Long-term care	0.33	0.05
General disability	2.28	0.37
Accident victims	0.13	0.02
Work injury	1.96	0.37
Maternity	1.40	0.15
Children	2.08	1.32
Unemployment	0.37	0.04
Bankruptcies	0.06	0.01
<b>Health insurance contributions</b>	<b>5.00</b>	<b>3.10</b>

### Insurance contributions collected from the self-employed by branch (% of wages), 2018

	Full rate	Reduced rate
<b>Total</b>	<b>17.83</b>	<b>5.97</b>
<b>Total under the National Insurance Law</b>	<b>12.83</b>	<b>2.87</b>
Old age and survivors	5.95	1.32
Long-term care	0.21	0.05
General disability	2.12	0.47
Accident victims	0.09	0.03
Work injury	0.78	0.17
Maternity	0.94	0.24
Children	2.74	0.59
<b>Health insurance contributions</b>	<b>5.00</b>	<b>3.10</b>

## **Participation Rate of the State Treasury**

In 2018, the Ministry of Finance's participation in collecting insurance payments was as follows: In January-February, 50.94%, and as of March, the rate increased to 57.16%. The change in the participation rate occurred following the agreement with the disabled and changes in the long-term care and old age benefits.

# Counseling Service for the Elderly

The Counseling Service for the Elderly was established in 1972 as a demonstration project for pensions volunteering to assist other elderly. The Service began modestly with a few volunteers in five local branches, expanded tremendously over the years, and today there are about 1,000 volunteers around the country.

Service volunteers maintain regular supporting social connections with the elderly and assist them in exercising their rights in the NII and in other organizations. The fact that a pensioner volunteer is also an elderly enables him to understand the feelings of the elderly person seeking counseling, as well as old age related problems.

The volunteers are required to undergo a four-month training course in which they learn about the special needs of the elderly and the changes taking place at this age, and develop the skills required to work with the elderly. The Service is managed by social workers specializing in gerontology and volunteerism.

All services of the elderly counseling service are provided free of charge.

**No legislative changes were made in 2018.**

# National Insurance Funds

National Insurance funds are government funds designed to reduce social gaps and to foster, empower and improve the quality of life of populations at risk. Together with partners in the public, tertiary and business sectors, the funds work to develop, expand and strengthen social services in Israel.

The funds provide funding and professional support to social projects and programs, developing professional education for new programs and promoting changes in the field of welfare policy in Israel. The NII operates through five funds: Fund for the Development of Services to the Disabled, Long-Term Care Fund, At-Risk Children and Youth at Risk Fund, Demonstration Projects Fund and the Manof Fund.

A central element of the funds' activities consists in helping organizations and municipalities to set up and upgrade social services. In addition, as central bodies in the social ecosystem, the funds are always attentive to innovative ventures in the area, as well as leading and participating in innovative development processes for the welfare and benefit of populations at risk.

## **The Fund for Development of Services to the Disabled**

This Fund helps public entities to develop services for people with disabilities in order to let them integrate society and workforce, and improve their well-being. The Fund operates in the following areas: special education and early childhood; vocational rehabilitation for the disabled; sheltered housing in the community; leisure and sports activities; improvement of physical conditions in institutions for the disabled and rehabilitation equipment purchase; and assistance in making public buildings accessible for the disabled. The Fund also helps improve the quality of life and services in institutions. The Fund assists in establishing exclusive services for a wide range of populations with disabilities, such as: the mentally impaired, persons with intellectual limitations, the head impaired, persons with vision loss or impairment, with deafness or hard hearing, in autistic continuum, with severe mobility disability, victims of diseases, persons with severe learning disability and ADHD, etc. The Fund's activity is governed by the National Insurance Law (Consolidated Version) 1995, Section 220, and its operation comply with regulations approved by the

direction of the Institute in consultation with the Disability Committee of the Institute's Council.

### **Long-Term Care Fund**

This Fund helps organizations to develop services for the disabled elderly, in the community and in institutions, in order to improve the health and welfare of elderly across Israel and minimize their functional decline. The assistance is granted for investment in infrastructures and equipment in community frameworks (such as daycare centers and model fraternities) and institutions (public and private retirement homes), and to establish innovative models and services for the disabled elderly, in the community and institutions. The fund's operation is anchored in the National Insurance Law of 1995, Section 237.

### **The Fund for Demonstration Projects**

The Fund for Demonstration Projects helps social organizations and local authorities to develop social services with an innovative and experimental element for a range of at-risk populations, among them: families living with poverty and unemployment, the 39 elderly, people with special needs, at-risk youths and so on. The Fund operates as a "Social-Risk Capital Fund" providing professional knowledge and experience in development of welfare services and improvement of social security, and participates in financing planning and scientific evaluation. The Fund's operation is undertaken in conjunction with Government ministries, public organizations and philanthropic funds, and is anchored in the National Insurance Law of 1995, section 36, and its statutes approved by the Institute's administration, in consultation with the committees of the Institute's council.

### **Fund for Development of Services for At-Risk Children and Youth**

The Fund for At-Risk Children and Youth acts since 2004 to promote work with children and youth under the age of 18 who are at-risk due to neglect, abuse, violence or sexual abuse, including juvenile offenders, drug users and young people exposed to dangerous living conditions. The Fund is working to expand its target population to young people up to age 23. The Fund's activity aims to the development and assimilation of models and programs tailored to the target population's needs. The Fund has significant collaborations with the Ministries



of Welfare, Education, Health, Immigrant Absorption and Economy, as well as joint-ventures with private funds, public and commercial organizations. The Fund's operation is anchored in the National Insurance Law of 1995, section 74, and undertaken according to its statutes which were approved by the Institute's administration, in consultation with the committees of the Institute's Council.

### **The Manof Fund for Work Accidents Prevention**

The Manof Fund is designed to finance activities for the prevention of work accidents and programs to encourage health and safety at work, finance researches in the field of health and safety at work and implementation of the findings in the workplace; developing and improving innovative safety measures; identifying occupational risks and hazards in the workplace; participating in the purchase of innovative safety measures; and providing information, training and publicity on these matters. Its activity is anchored in the National Insurance Law of 1995, section 149, and is managed according to secondary regulations and its statutes which were approved by the Institute's administration.

**No legislative changes were made in 2018.**

# International Conventions

An international social security convention is an agreement signed between the State of Israel and another State in order to protect the social rights of those who have moved from one country to the other, and to prevent double payment of insurance contributions by Israelis living and working abroad.

Israel has signed conventions with the following countries: Great Britain, Holland, France, Belgium, Austria, Germany, Sweden, Switzerland, Denmark, Finland, Uruguay, Czech Republic, Norway, Bulgaria, Slovakia and Romania. An agreement regulating the prevention of double payment of national insurance contributions alone was signed with Canada.

The conventions apply to residents of Israel and citizens of the other countries and their families, and in each convention are detailed the branches of insurance it covers. The broader conventions include most branches of insurance: old age, survivors, disability, work injury, children and maternity.

Recently, two new social security conventions took effect: with Belgium (June 2017) and the Russian Federation (October 2017). During 2018, work procedures for the implementation of these conventions were prescribed.