

1. Income Support¹

A. General

The number of income support recipients continued to decrease in 2007, as in previous years, reaching 115,000 families by the end of the year – as compared with 125,600 at the end of 2006 and a record 159,000 in the second quarter of 2003. The developments in 2007 were influenced by continued improvements in the labor market, the continued impact of the strict legislation of mid-2003 and the implementation of the Integration of Benefit Recipients in Employment Law (temporary order) in August 2005.

The above law, approved in 2004, is still undergoing changes and adjustments following the public debate and the conclusions already derived from its implementation. The law was approved as a temporary order for a period of three years, extending from the date of its de facto coming into effect – August 2005. It embodies an experimental program, "From Welfare to Work", initially titled "From Income Support to Secured Employment", and in 2007 it underwent changes and its title was altered to "Prospects of Employment". The purpose of the program is "to further the integration of benefit recipients in employment that will utilize their earning capacity while having them share responsibility, thus enabling them a transition period from being completely dependent on benefits, to eventual social and economic independence".

The law in effect transfers responsibility for performing the employment test – the passing of which is a condition of eligibility for an income support benefit – from the State to private bodies. It stirred controversy both during its enactment and after its implementation, mainly revolving around the method of remuneration and the manner of implementation, particularly in respect of special population groups. It is difficult to integrate special groups in employment or in a personal plan due to barriers such as age and mental barriers, and to situations such as single parenthood or an ill/inpatient child. Since the commencement of the program several committees were formed – the First Dinur Committee, the Tamir Committee and the Second Dinur Committee – that recommended changes to the program. In 2007 another committee submitted its recommendations – the Public-Scientific Committee Concerning the Integration of Income Support Benefit Recipients in Employment. Among the changes recommended were the reduction of participation hours for defined groups such as those close to retirement age, those who have degrees of earning incapacity determined by the National Insurance Institute, and single-parent families, as well as the offer of vocational diagnosis and employment rehabilitation for those who need it. In addition, it was recommended that the method of remuneration be changed in such a way that quality and long-term placements are remunerated (to both participant and employment center) and that the remuneration for decreasing benefits is reduced.

The "Prospects of Employment" program commenced operating in August 2007, after the recommendations of the various committees were consolidated. Among the changes effected were the referral of people aged 45 and over to the employment service (unless they chose to participate in the program) and the reduction of hours to selected population groups until vocational

1 Including alimony.

diagnosis is carried out. In addition, the method of remuneration was changed, to rely less on reducing benefits and to include new components such as remuneration for job placements. There began a process of paying a perseverance grant to participants who were placed in jobs, and the rules for paying a placement grant to operators were set. In December 2007, the geographical area covered by the program was expanded to encompass the populations of the following towns: Ashkelon, Sderot, Jerusalem, Hadera, Netanya, Basma², Nazareth, Nazrat Illit and Ein-Mahel.

2 The towns Barta'a, Ein-A-Sahle, and Muawiye, which were united as a single local council.

Box 7

Findings of the "From Income Support to Secured Employment" Evaluation Research

The Integration of Benefit Recipients in Employment Law, in which the experimental "From Income Support to Secured Employment" program is anchored, determines that the program be accompanied by an evaluation research. The research is intended to assist the government and the Knesset in forming policy regarding the employment test, a test which must be passed as a condition for entitlement to income support benefit. In the framework of this research¹, conducted by the National Insurance Institute and the Myers-JDC-Brookdale Institute, six reports have thus far been published which present findings on the impact of the program in several areas: employment, entitlement to income support benefit, income from work and other sources, and the welfare of children in families referred to the program and their functioning in the education system.

Research method

The research method is based on tracking two groups: the experiment group, which includes a sample of the program's participants in the four regions of the experiment, and a control group, including the benefit recipients who reside in regions which are comparable to those of the experiment and whose characteristics resemble those of the benefit recipients in the regions of the experiment². The impact of the program is assessed through the "difference of differences" – a calculation of the difference between the change effected in the experiment group between the two points in time being researched, on the eve of the program's commencement (August 2005) and after 15 months (November 2006), and the change effected in the control group between these two points in time.

Main findings

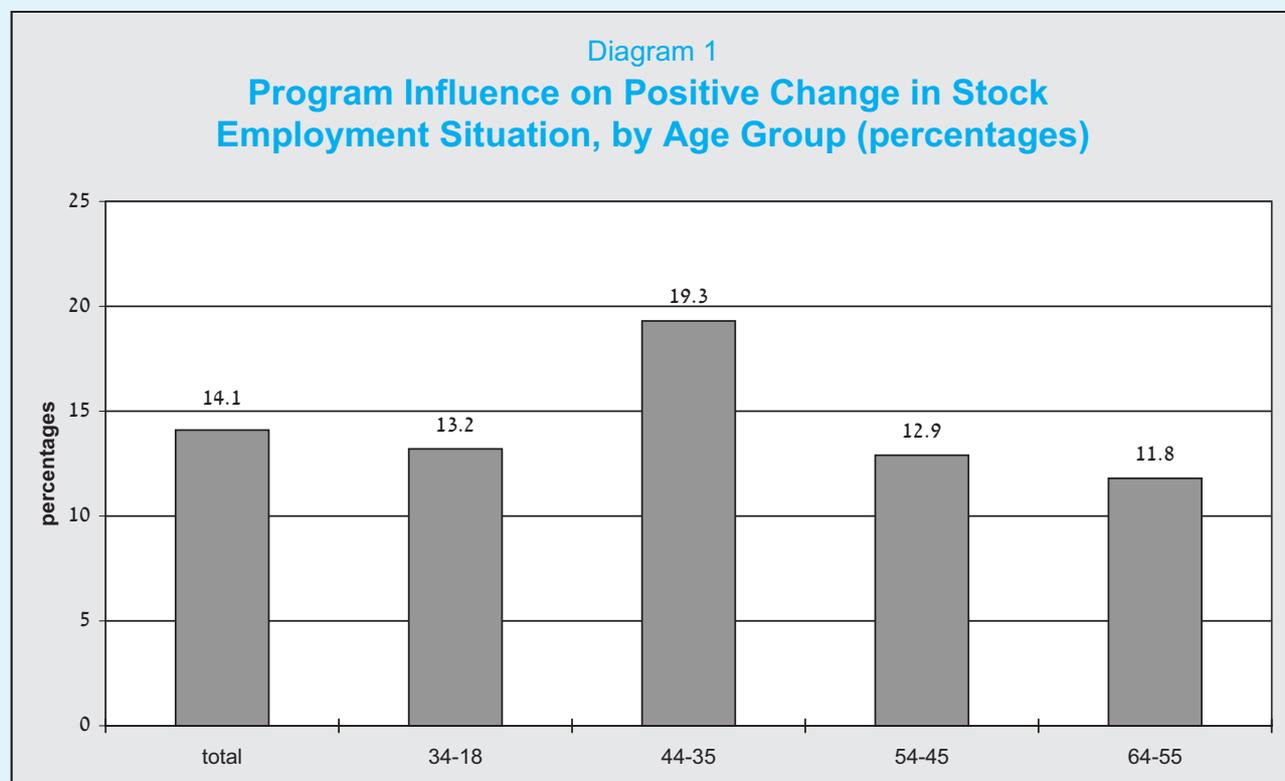
Changes in employment between August 2005 and November 2006

- The increase in the rate of the employed, after 15 months of operating the program, is higher in the experiment group by 10.3 percentage points than in the control group. The rate of the employed in the experiment group went up from 24.6% on the eve of the program's commencement to 38.8% in November 2006 – a growth of 14.1 percentage points, as compared with a growth of 3.8 percentage points in the control group.

1 From: the findings of follow-up report on the impact of the "From Income Support to Secured Employment": **on the people who are eligible in the beginning of the program (the inventory) – after 15 months to its operation and on the new applicants (the flow) – after 6 months since filing the claim**, Summary Report No. 6.

2 Due to difficulty in locating a control region to match the neighborhoods in East Jerusalem, it was decided to match a control to the Jewish residents of the city only.

- The impact of the program on a positive change in employment is estimated at 14.2 percentage points. 21.6% (net³) of those who applied to the program, as compared with 7.4% in the control population, have reported a positive change in their state of employment – they have become integrated in work or have expanded their extent of work hours by at least one hour a week.



- The degree of the program's impact differs among various age groups. Its impact among those aged 35-44 is estimated at 19.3 percentage points and among those aged 45-54 at 12.9 percentage points. Among those aged 55 and over, a lesser impact was estimated – 11.8 percentage points (Diagram 1).
- The program had a similar impact on improving the state of employment among men and women (14.7 percentage points, as compared to 14.0 percentage points, respectively).
- A greater impact of the program on the state of employment manifested itself among single-parent mothers (20 percentage points) and among those who are married and have children (14.4 percentage points).
- Among new immigrants and among Arabs, the program had a greater impact on improving the state of employment, as compared with the senior Jewish population – 12.6 percentage points, 14.4 percentage points, and 10.3 percentage points, respectively.

3 i.e., after those who stopped working or reduced the number of their work hours are deducted.

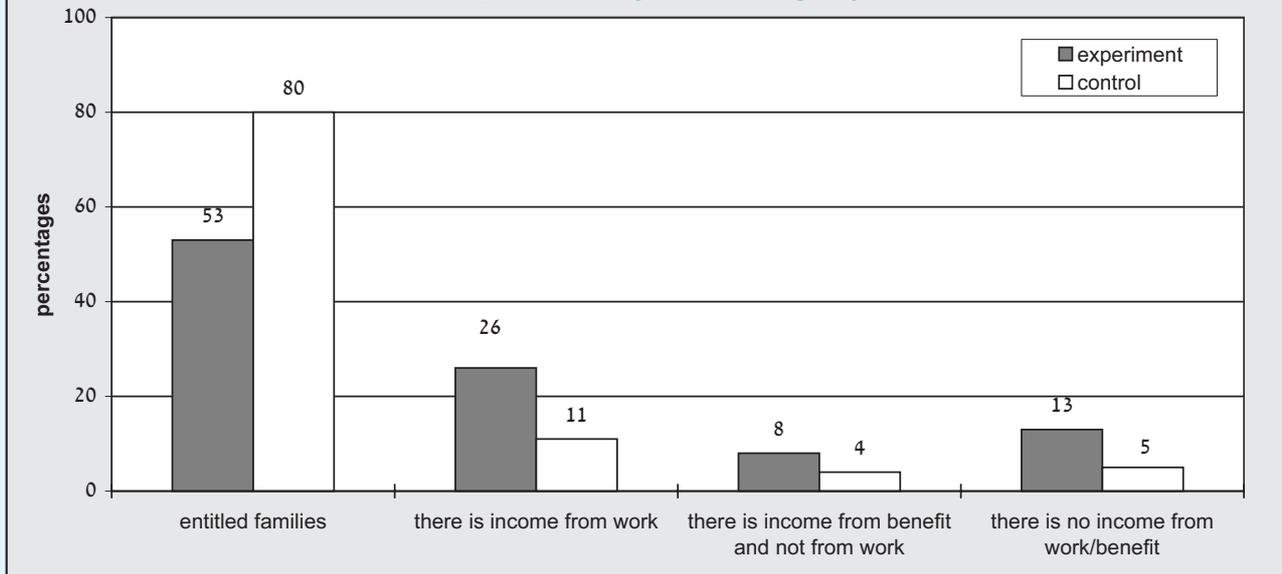
Changes in monthly average wages

- The increase in the monthly average wage from work among the employed in the experiment group is significantly higher than in the control group.
- No significant difference was found in the **wages per work hour** of the employed between the experiment group and the control group. The average wage per work hour is approximately the minimum wage.
- The average monthly wages of the employed in the experiment group increased by NIS 400 more than did the average wages of the employed in the control group.
- The increase in wages of the employed in the experiment group, as compared with the control group, is attributed to the increase in the extent of their work hours.
- In the experiment group there was a higher rate of people who were employed full-time, and those who were employed part-time worked a greater number of hours, as compared to the control group.

Changes in receipt of income support benefit

- In November 2006, 15 months after the program began, the rate of families in the experiment population that reported that they were eligible for a benefit was 27 percentage points lower than the parallel rate in the control population. The rate of families that reported they were not eligible for a benefit was 47% in the experiment group, as compared with 20% in the control group.
- 56% of the families that were not eligible in the experiment group reported that they had an income from work, the same as in the control group (54%).
- The positive change in the state of employment can explain 43% of the rate of reduction in the number of families in the experiment group that were not eligible for a benefit, similar to that in the control group (40%).
- Among the families **not eligible** for a benefit, the rate of families that do not have an income from work or benefit is similar in the experiment and control groups. Notwithstanding, since a much higher rate of families in the experiment group are not eligible for benefit, as compared with the control group, it was found that 13% **of all families** in the experiment group were not eligible for an income support benefit and did not have income from work or from another NII benefit, as compared with 5% in the control group, i.e., a difference of 8 percentage points (Diagram 2). The group of those who are not eligible and who do not have an income from work or from other benefits is a particularly disadvantaged group in terms of education, experience in employment, and risk of emotional and mental problems, and it has a much greater concentration of single persons, young persons and Arabs.

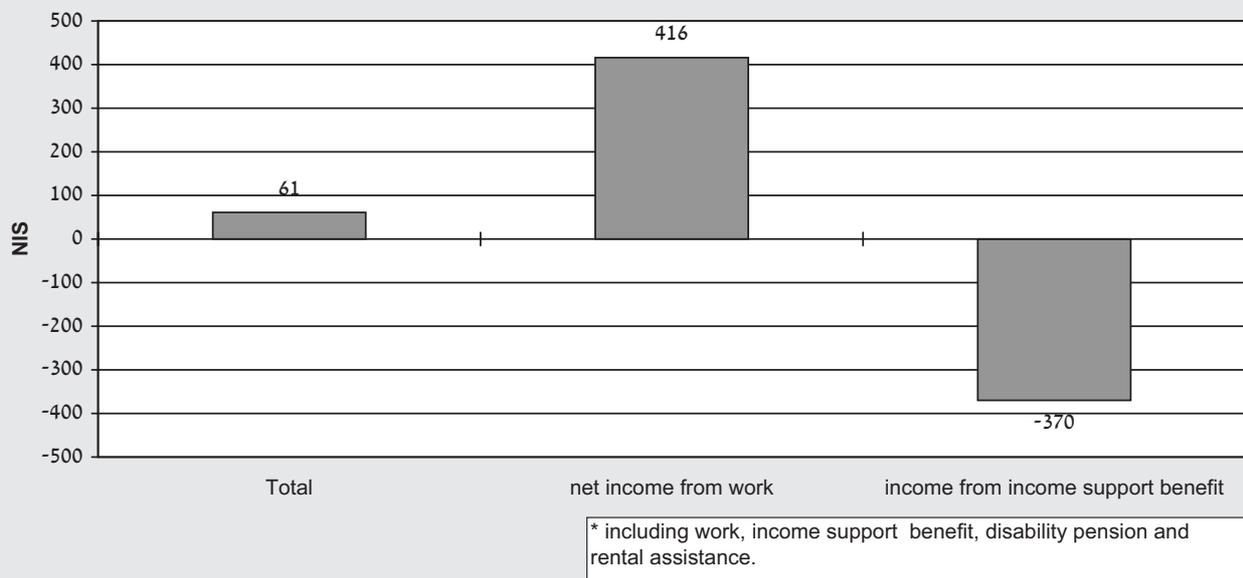
Diagram 2
Program Influence on Income Sources of Total Experiment Group as Compared to Control Group out of Total Population (percentages)



Influence of program on family income

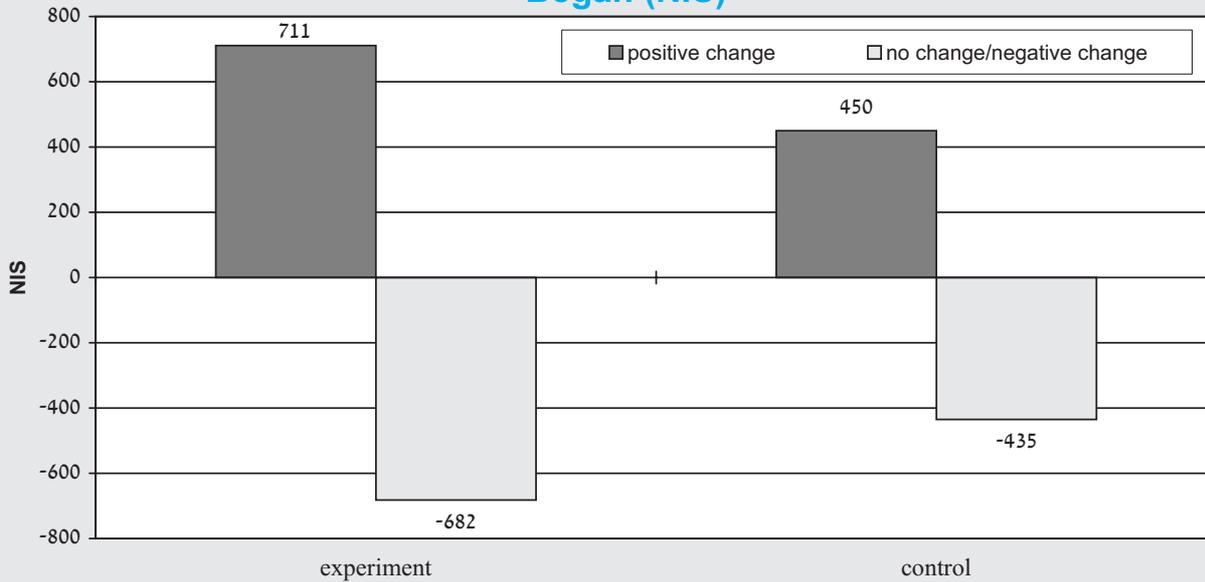
- In examining the influence of the program on family income, changes affected in the main sources of income of the population of benefit recipients were examined: income from work, from the income support benefit and disability pension, and from assistance with rent. A positive influence of the program was found on the available income from work of the spouses, and as expected, a negative influence on income from the income support benefit.
- An examination of the total family income including all the above sources shows that the program did not influence the change in income among the general population; however, a positive influence was found in families where there was a positive change in the state of employment of at least one spouse.
- The average family income from work in the experiment group in November 2006, as compared to the situation on the eve of the program's commencement, increased by NIS 415 more than the income in the control group among all families (including those in which neither spouse is working). In the control group, the parallel increase was from NIS 434 to NIS 603 – an increase of NIS 169 (Diagram 3).

Diagram 3
**Program Influence on Total Incomes and on Net Income
 from Work and from Income Support Benefit After 15
 Months (NIS)**



- The family income from the income support benefit in the experiment group went down by NIS 370 more than in the control group.
- The program did not influence total income from all sources, since the increase in income from work was set off by the reduction in income from the income support benefit (Diagram 3).
- The total income of families, in which positive change was affected in the state of employment, increased in both the experiment and control groups; however, the increase in the experiment group was NIS 261 greater than that in the control group (Diagram 4).

Diagram 4
Income Changes among Families in Stock by Change in Employment Situation After 15 Months Since Program Began (NIS)



B. Fundamentals of the Income Support Law in its 2003 version

The new legislation, basically anchored in the Economic Arrangements Law for 2003, introduced far-reaching changes in the clauses of the Income Support Law pertaining to the working-age population: in the level of the maximum benefit, in the income test and in the employment test. The amendments to the Income Support Law had implications extending to the Alimony (Guarantee of Payment) Law as well. The legislation came into effect in January 2003, but was actually implemented only in June 2003 with regard to reducing the benefit and the changes to the income test.

The Income Support Law in its current version retains, for the long term, the two rates of benefit – the regular rate and the increased rate – but in fact it sets three levels of benefit for the transition period³. The law makes a distinction between 55+ year olds eligible for benefit⁴ and those under 55. The benefit for those aged 55 and over remain unchanged for all family compositions and they are eligible for a benefit at the increased rate, as previous to January 2003, without distinction between new participants and those previously eligible⁵. The distinction between new participants and those previously eligible is relevant only to those under age 55; **all** new participants and all people previously eligible for the regular rate will receive a benefit at the regular, but now reduced, rate, and all those who were previously eligible for the increased rate, will receive a benefit at the increased, now reduced, rate. The significance of these changes is that after the transition period, persons under age 55 may be eligible for a benefit only at the regular reduced rate.

Beginning in January 2003, the employment service may no longer define one who claims an income support benefit as a person who cannot be placed at work. Persons not compelled to report to the employment service were explicitly defined in the Income Support Law in its new version. The main amendment concerns mothers of small children: prior to the amendment they were exempt from the employment test if their youngest child was under the age of 7, while after the amendment they are exempt only until their youngest child turns two. The situation of a widow – regarding the employment test – was equalized to that of a mother of small children. (Until January 2003, widows with children up to age 18 were exempt from reporting to the employment service, regardless of the children's age.) There was no change in the situation of women eligible for alimony; they are exempt from the employment test under the new legislation as well. As mentioned, in 2004 the Integration of Benefit Recipients in Employment Law (temporary order) was approved, and in August 2005 the responsibility for operating the employment test in the regions of the experiment was transferred from the government-run employment service to private employment centers. The participants in the program are recipients of income support benefit based on entitlement grounds of "unemployed" or "low wages".

3 The changes in benefit levels and in the income test are elaborately set forth in the Annual Survey of the National Insurance Institute for 2002-2003.

4 The rates of income support benefit for recipients of old-age and survivors' benefit remained unchanged. Those eligible for benefits from the Work Injury branch will be eligible for an income support benefit at a level identical to that of survivors, regardless of their age.

5 A person "previously eligible" is one who began receiving a benefit before January 1, 2003, including those to whom payment of benefit was stopped for a period which does not exceed 6 months.

Under an amendment to the Income Support Law in effect since January 2007, ownership of a car does not automatically disqualify eligibility for an income support benefit (as previously, when there were only special exceptions such as for persons with medical needs), if the car is up to 1,300 cc and 7 years have past since the end of its production year, or if the car is up to 1,600 cc and 12 years have past since the end of its production year. A car owner will be eligible for benefit only if he (or his spouse) has an income from work that exceeds 25% of the *average wage* (if he is of retirement age – 17% of the *average wage*). The amendment pertains to persons who were dismissed from their job as well.

In addition, the situation of a person who travels abroad was improved. This amendment applies only to persons of retirement age (or their spouse): their traveling abroad for up to 3 times a year for up to 72 days will no longer disqualify them for a benefit. Traveling abroad for a fourth time or deviating from the 72-day timeframe will disqualify them from benefit for all periods that they were out of the country in one calendar year. (Previous to the amendment, a second or subsequent departure abroad in a calendar year disqualified one from the income support benefit.)

C. Income support benefit recipients

The June 2003-December 2007 period registered a continuous downward trend in the number of recipients of income support benefit. This trend began with the strict legislation of June 2003 – when the benefit was taken away from about 5,000 families and the obligation to pass the employment test, as a condition of being eligible for a benefit, was expanded to additional populations – and continued with the reduction of the maximum income entitling one to benefit and the improvement in employment in 2004-2007. The operation of employment centers as part of the "From Income Support to Secured Employment" program in August 2005 and "Prospects of Employment" in August 2007 accelerated this trend.

Table 1
**Number of Families who Received Income Support Benefit,
 by Seniority in Israel*, 2000-2007**

Year and month	Total		Veterans		New immigrants	
	Absolute number	Rate of change	Absolute number	Rate of change	Absolute number	Rate of change
2000	128,364	12.4	80,476	14.9	47,889	8.5
2001	141,840	10.5	91,264	13.4	50,576	5.6
2002	151,600	6.9	96,000	5.2	55,600	9.9
2003	155,178	2.4	99,953	4.1	55,225	-0.7
2003/1-5	158,528	--	101,211	--	57,317	--
2003/6-12	151,254	--	97,549	--	53,704	--
2004	145,550	-6.9	94,830	-5.1	50,720	-8.1
2004**	144,661	--	94,139	--	50,522	--
2004/1-7	145,312	--	94,071	--	51,241	--
2004/8-12	143,749	--	94,234	--	49,515	--
2005	139,940	-3.3	93,037	-1.2	46,903	-7.2
2005/1-7***	142,321	-2.1	94,302	0.2	48,019	-6.3
2005/8-12***	136,606	-5.0	91,267	-3.1	45,339	-8.4
2006	130,337	-6.9	88,144	-5.3	42,193	-10.0
2006/1-7***	132,380	-7.5	89,084	-5.9	43,296	-10.9
2006/8-12***	127,477	-7.2	86,829	-5.1	40,648	-11.5
2007	120,218	-7.8	82,488	-6.4	37,730	-10.6
2007/1-7***	122,748	-7.3	83,931	-5.8	38,817	-10.3
2007/8-12***	116,677	-8.5	80,469	-7.3	36,208	-10.9

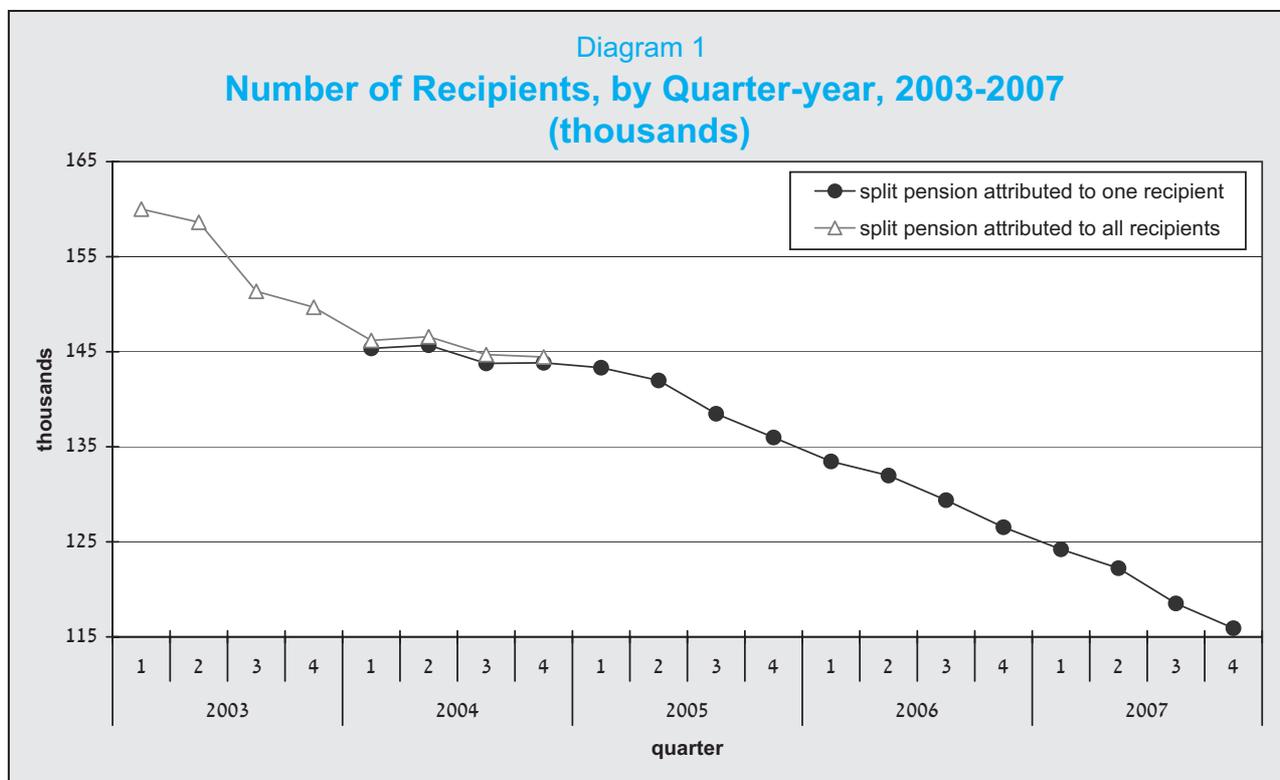
* Seniority in the country is determined according to the seniority of the benefit claimant.

** In the calculation of this figure and the figures that follow it in the series, a benefit divided among several recipients is credited to a single recipient only. In calculating the previous figures in the series, all recipients of the divided benefit counted with the total number of recipients. Both figures for 2004 indicate the difference between the two series.

*** In comparison to the parallel period in the preceding year.

The Economic Arrangements Law-2003 led to a reduction in the number of recipients, from a peak of about 160,000 (monthly average) in early 2003, to 145,500 in the first half of 2004. The continued influence of this law combined with the improvement in employment led to a further reduction in the number of recipients – albeit a more moderate one – to about 142,000 in the second quarter of 2005. The operation of the "From Income Support to Secured Employment" program (in August 2005) enhanced the downward trend, and the number of recipients as a monthly average dropped as low as 130,300 families in 2006 and continued to drop to about 120,200 families in 2007 (Table 1). The reduction in 2007 is the result of the "Prospects of Employment" program, as well as of a clear and steady reduction in the number of benefit recipients on parallel grounds (unemployment and low wages) who reported to the employment service, and in the number of recipients on other grounds (Table 2).

A summary of developments since June 2003 indicates a continuous reduction in the number of benefit recipients (as a monthly average) at a cumulative rate of about 23%. During a period of 4.5 years the number of benefit recipients went down by about 35,000 families. Table 1 and Diagram 1 clearly illustrate this development.



A view focused on the period during which the "From Income Support to Secured Employment" program operated (Table 2) shows that about 139,300⁶ families received a benefit on the eve of the operation of the program (July 2005): about 14,900 families who resided in the regions of the experiment received their benefit on the grounds of "unemployment" and "low wages", and were therefore compelled to participate in the program and referred to employment centers since August 2005, and about 124,400 families from other regions of the country received benefit. Among the latter group, about 100,700 families received, in June, a benefit on the grounds of "unemployment" and "low wages" – which are the parallel grounds to those of the "From Income Support to Secured Employment" and "Prospects of Employment" programs. Table 2 shows the developments in the trend of benefit recipients in July and December of 2005-2007.

During a 24-month period the number of benefit recipients in the "From Income Support to Secured Employment" program was reduced by about 49.7% – from 14,900 families on the eve of the program's operation to 7,500 in July 2007. During the first 18 months there was an impressive reduction of 49.1%. In the last 6 months of the program's operation, January-July 2007, the

6 The data for July 2005 are slightly different than those published in the 2005 survey in order to reflect more recent rates of change (these data also appear in the follow-up reports on the implementation of the program).

number of families receiving a benefit within the framework of the program stabilized. The number of families that received benefit on parallel grounds in the other regions of the country decreased between December 2006 and July 2007 by 4.4%, and the number of families that received benefit on other grounds went down by 5.9%. In total, the number of benefit recipients in July 2007 was smaller by about 19,350 families than that of July 2005, with 38.2% of this reduction attributed to the "From Income Support to Secured Employment" program.

Table 2
**Families who Received Income Support Benefit* –
the "From Income Support to Secured Employment" Program and Other Recipients,
July 2005- December 2007**

Year and month	Total	Outside program			Program
		Total	On grounds of unemployment or low wages	Other grounds	
2005					
July	139,271	124,394	100,743	23,651	14,877
December	134,224	122,915	100,871	22,044	11,309
2006					
July	130,370	121,770	100,306	21,464	8,600
December	125,559	117,986	96,949	21,037	7,573
2007					
July	119,918	112,437	92,639	19,798	7,481
August	118,009	110,378	91,438	18,940	7,631
September	117,633	109,858	90,999	18,859	7,775
October	116,739	113,506	94,695	18,811	3,233
November	116,036	112,674	94,187	18,487	3,362
December	114,969	109,031	90,142	18,889	5,938

* A family is counted with the participants of the program if at least one spouse is compelled to participate.

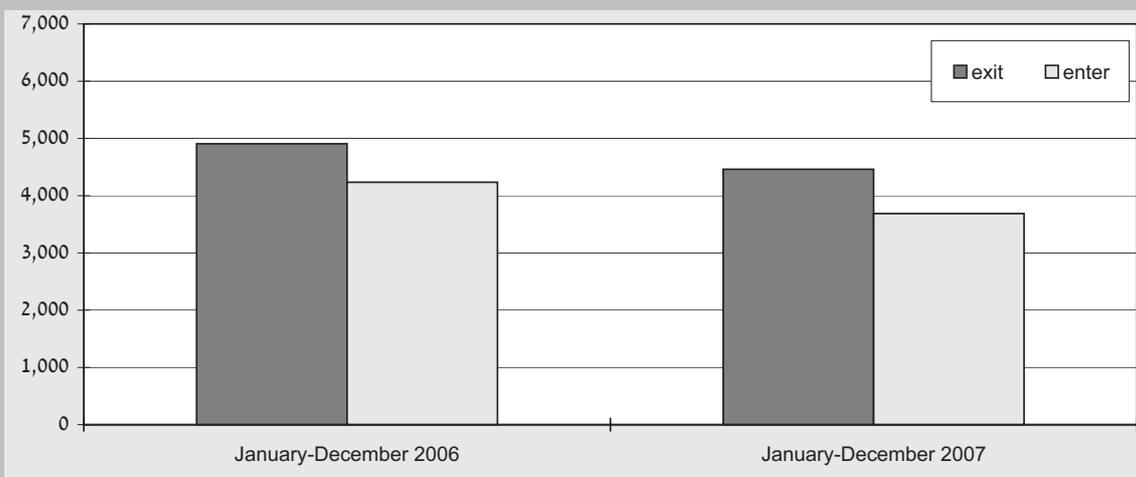
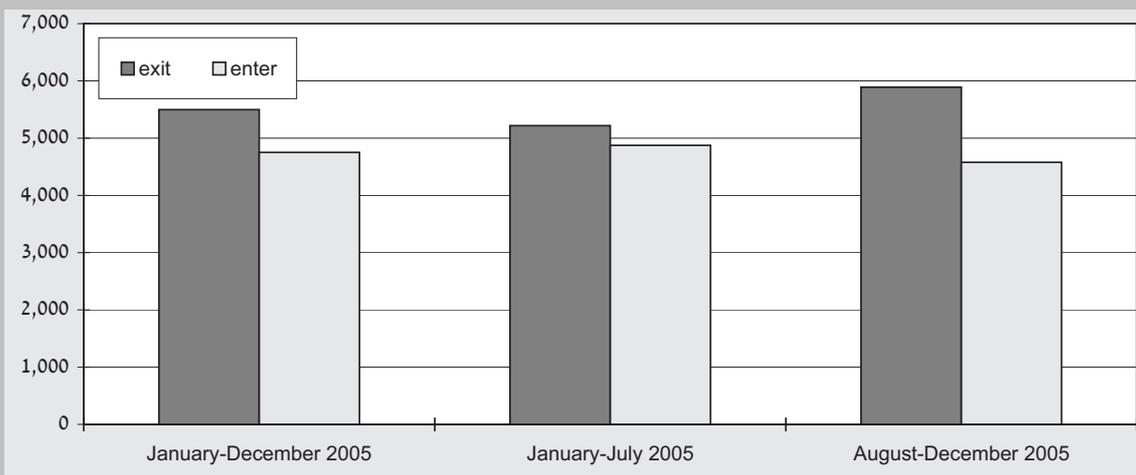
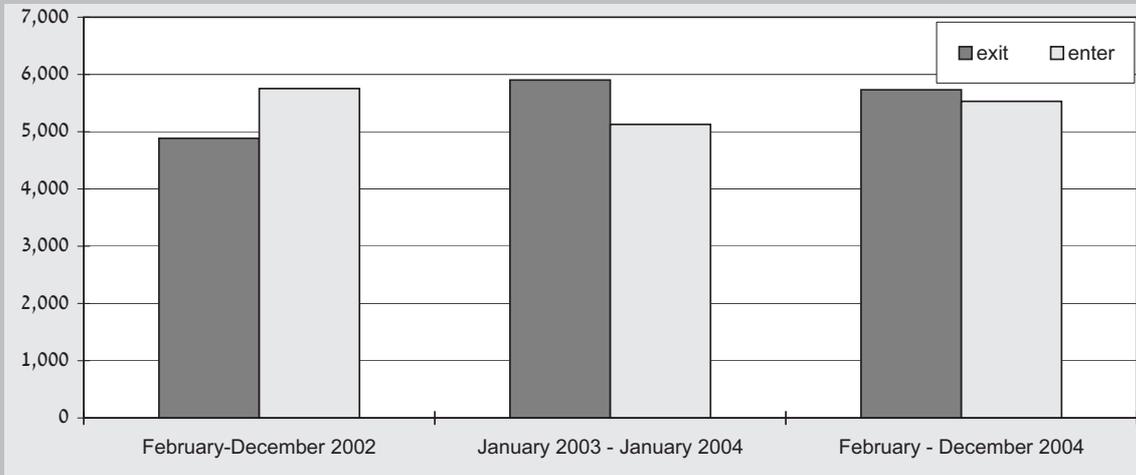
Due the extensive changes in the definition of a participant in the "Prospects of Employment" program which began in August 2007, it is impossible to compare the data to those of preceding years. The table sets forth the data for the first five months of the program, which present the families who received benefit as a result of the changes implemented in the program. In the beginning of the program 7,500 families participated and their number increased slightly by September – to 7,800 (about 4%). In October persons aged 45 and over (except those who chose to participate in the program) were referred to the employment service, and the number of families taking part in the program decreased to 3,200. At the same time, the number of families who receive benefit on grounds parallel to those of the rest of the country went up to 94,700 recipients, from 91,000 in the preceding month. As mentioned, in December the geographical extent of the program was expanded, so that the number of families receiving benefit in the regions of the program climbed to about 6,000 families while the number of families who receive benefit on parallel grounds in the rest of the country went down to 90,100. In drawing conclusions from the implementation of the program, the NII initiated a process of take-up of rights in the new regions

added to the program. As a result, the reduction in the number of families who received benefit on other grounds was brought to a halt and this number went up to 18,900 in December 2007.

An analysis of the flows of entering and exiting the system in 2002-2007 as illustrated in Diagram 2 shows that the sharp reduction in January 2003 - January 2004 may be explained not only by the acceleration of exits but also by a considerable moderation of entries, mainly due to legislative changes. Furthermore, during February 2004 - December 2004 and again during January-July 2007, the number of families that entered the system was slightly lower than the number of exiting families – as reflected in the moderate reduction in the number of recipients (monthly average) during these two periods. The operation of the "From Income Support to Secured Employment" program in August-September 2005 changed the picture again, mainly accelerating exits from the system. It appears that the slowdown in entries to the system is a continuation of the trend of the first half of 2005, although it is possible that the operation of the centers has also led to families abstaining from resorting to the income support system.

The number of people entering the system continued to decrease in 2006 as well, and despite the continued implementation of the "From Income Support to Secured Employment" program, the number of people who exited the system went down as well. In 2007, there was a reduction in the number of people who entered and exited, as compared with 2006, and the gap between those who entered and those who exited grew from about 700 to about 800. These changes account for the continued reduction in the number of recipients of income support benefit that results from the steady slowdown in entering the system.

Diagram 2
Families that Entered* and Exited the Income Support System (monthly average), 2002-2007



* "Entered the system" is defined as persons who entered the system for the first time or after a break of at least two months from their previous entry. A person who did not receive a benefit for at least two months is defined as "exited the system".

D. Characteristics of income support benefit recipients

1) Family composition and seniority in the country

The reduction in the number of benefit recipients since mid-2003 was accompanied by a change in the family composition of benefit recipients. The influence of legislative changes pertaining to benefit levels, the income test, and the employment test, which manifested itself in 2004-2007 as well, was not uniform in its extent among the various population groups. Beyond this influence, it is possible that not all individuals had a greater number of employment opportunities following the growth in the economy, and these differences may also affect the composition of the population that receives income support benefit. In order to illustrate the changes in family composition, data are presented for the beginning of 2003 (prior to the legislative changes); for 2005 in respect of two periods: January-July and August-December (before and after the operation of the "From Income Support to Secured Employment" program); for 2006 (in which the "From Income Support to Secured Employment" program was in full operation); and for 2007 (termination of the "From Income Support to Secured Employment" program operation and commencement of "Prospects of Employment").

The data presented in Table 3 indicate two major developments: the reduction in the number of income support benefit recipients among single-parent families and among couples with children, and the moderate growth rate in the number of single persons who receive benefit until mid-2005, when this number began to drop. The number of single-parent families went down from 53,200 as a monthly average in the beginning of 2003 to 42,000 in 2004 and again to 32,500 in 2007. The number of couples with children, which was 39,000 in the first quarter of 2003, dropped steadily to 25,800 as a monthly average in 2007. On the other hand, the number of single persons who received a benefit increased from 58,300 in the first quarter of 2003 to 60,900 as a monthly average in the first half of 2005; with the operation of the "From Income Support to Secured Employment" program, this number began to drop until it reached 53,500 as a monthly average in 2007. These developments were reflected in changes in the composition of the population: the share of single-parent families in the total number of recipients went down to 27.0% in 2007 (as compared with 33.2% in the beginning of 2003) and the share of couples with children went down slightly – from 24.4% to 21.5%. Simultaneously, the share of single persons increased significantly – from 36.5% to 44.5%. This means that there was a sharp reduction in the rate and number of families with children from 2003 until mid-2005, and a moderate reduction until 2007. In 2007, the number of eligible people continued to decrease, but the composition of the population was similar to that of 2006 (the two sub-periods in 2007 – January-July and August-December – are similar).

Table 3
**Recipients of Income Support Benefit,
 by Family Composition and Seniority in the Country, 2003-2006**

Family composition	Numbers			Percentages		
	Total	Veterans	New Immigrants	Total	Veterans	New Immigrants
January-March 2003						
Total	160,006	102,194	57,812	100.0	100.0	100.0
Single person	58,331	38,000	20,331	36.5	37.2	35.2
Single person + children	53,191	25,662	27,529	33.2	25.1	47.6
Couple	9,468	5,070	4,398	5.9	4.7	7.6
Couple + children	39,016	33,462	5,554	24.4	32.7	9.6
2004 average						
Total	144,661	94,139	50,522	100.0	100.0	100.0
Single person	60,105	39,480	20,624	41.5	41.9	40.8
Single person + children	42,003	20,350	21,653	29.0	21.6	42.9
Couple	8,826	4,758	4,068	6.1	5.1	8.1
Couple + children	33,727	29,550	4,177	23.3	31.4	8.3
January-July 2005						
Total	142,321	94,302	48,019	100.0	100.0	100.0
Single person	60,953	40,448	20,505	42.8	42.9	42.7
Single person + children	39,628	19,836	19,792	27.8	21.0	41.2
Couple	9,260	5,129	4,131	6.5	5.4	8.6
Couple + children	32,480	28,889	3,590	22.8	30.6	7.5
August-December 2005						
Total	136,606	91,267	45,339	100.0	100.0	100.0
Single person	59,299	39,324	19,975	43.4	43.1	44.1
Single person + children	37,727	19,409	18,319	27.6	21.3	40.4
Couple	9,091	5,145	3,945	6.7	5.6	8.7
Couple + children	30,489	27,389	3,100	22.3	30.0	6.8
2006 average						
Total	130,337	88,144	42,193	100.0	100.0	100.0
Single person	57,332	38,222	19,110	44.0	43.4	45.3
Single person + children	35,657	18,922	16,735	27.3	21.5	39.7
Couple	8,694	4,975	3,718	6.7	5.6	8.8
Couple + children	28,655	26,025	2,629	22.0	29.5	6.2
2007 average						
Total	120,218	82,488	37,730	100.0	100.0	100.0
Single person	53,539	35,703	17,836	44.5	43.3	47.2
Single person + children	32,470	17,961	14,510	27.0	21.8	38.5
Couple	8,411	5,065	3,346	7.0	6.1	8.9
Couple + children	25,798	23,760	2,038	21.5	28.8	5.4

2) Grounds of entitlement

Table 4 features the distribution of benefit recipients through 2005-2007 by the grounds of entitlement to benefit. Following the trend which became apparent since 2003, in the first period of 2005 the increase in the share of the unemployed in the total number of benefit recipients continued. Concurrently, there was a reduction in the share of mothers of small children and of those aged 55 and over who cannot be placed in work. The trend which characterized the two latter grounds also continued in 2006 and 2007. Since August 2005, a new grounds was added – the "From Income Support to Secured Employment" grounds, which includes both the unemployed and low-wage earners. Hence, the comparison made in the table in respect of periods preceding August 2005 should be made concerning the three grounds that compel an employment test: unemployed, "From Income Support to Secured Employment" ("Prospects of Employment"), and low wages. The data indicate that in 2007 the rate of recipients on grounds that compel an employment test was 78.1% of the total number of recipients, as compared with 77.7% in 2006.

Table 4
Recipients of Income Support Benefit – Claimants and Their Spouses, by Grounds of Entitlement, 2005-2007

The grounds	2005 average		January-July 2005		August-December 2005		2006 average		2007 average	
	Numbers	Percents	Numbers	Percents	Numbers	Percents	Numbers	Percents	Numbers	Percents
Total	180,780	100.0	184,061	100.0	176,187	100.0	167,685	100.0	154,427	100.0
Unemployment	107,777	59.6	113,584	61.7	99,647	56.6	98,751	58.9	93,817	60.8
In training of evaluation	3,867	2.1	4,666	2.5	2,748	1.6	2,538	1.5	2,291	1.5
The - From Income Support to Secured Employment/Employment Prospects – Program	6,123	3.4	-	-	14,696	8.3	10,382	6.2	7,486	4.8
Low wages	24,692	13.7	26,647	14.5	21,956	12.5	21,142	12.6	19,268	12.5
Addicts	3,957	2.2	3,974	2.2	3,932	2.2	3,909	2.3	3,788	2.5
impossible to place (aged 55+)	9,464	5.2	9,856	5.4	8,914	5.1	7,354	4.4	5,778	3.7
Mother/Father	16,532	9.1	17,046	9.3	15,813	9.0	14,510	8.7	12,682	8.2
Other	8,360	4.6	8,281	4.5	8,472	4.8	9,100	5.4	9,318	6.0

3) Benefit rates

Following the legislation of 2002-2003 regarding entitlement to benefit in its various levels, the rate of those who receive a benefit at the regular rate increased, and stabilized in 2006 and 2007 – their rate remained as it was in 2005, about 37% (as compared with 23% in 2002). Single-parent mothers (previously entitled, or women aged 55 and over) to whom a benefit at the special rate was paid constituted 24.9% of the total number of recipients in 2007, as compared with 25.5% in 2006 and about 28% in 2002, while in 2007 only 6% of them were 55 years old and over, and they continued to receive the special rate that applied before the benefit rate was cut. The increased rate was paid to about 38% out of the total number of recipients in 2007 (as compared with 37% in 2006 and about 43% in 2002). 32.2% of these were under age 55 and therefore received benefit at the cut increased rate, and 67.8% were aged 55 or over and received benefit at its increased rate that was not cut. Beginning in 2004, the share of those aged 55 and over in the total number of people who receive a benefit at the increased rate continued to grow.

4) Income from work

Table 5, which features the families with income from work by family composition and income level, shows that the reduction in the number of benefit recipients since 2004 was accompanied by a slight increase in the rate of working families. In 2007 the rate of working families was 28.1% (as compared with 25.5% in 2004). The main increase took place between 2006 and 2007. The number of working families continued to drop in 2006 and in 2007. The data pertaining to income level show that like in 2004, in 2005 the share of low-wage families increased, in 2006 it remained stable, and in 2007 it went down slightly. In 2007, 64.3% of families had income from work of not over NIS 2,000, as compared with 63.4% in 2004 and 65.3% in 2006. Hence, in 2007 the rate of working families went up and a slightly higher percent than in 2006 earned more than NIS 2,000. Notwithstanding, about two thirds of working families still earned up to NIS 2,000 per month.

Table 5
**Recipients of Income Support Benefit (Families) with Income from Work,
 by Family Composition and Income Level, 2004-2005**

Family composition	Total (absolute numbers)	Rate out of total number of families	Income level (NIS)					
			1-1,000	1,000-1,500	1,500-2,000	2,000-3,000	3,000-3,500	3,500+
Total	36,905	25.5	21.1	21.5	20.8	19.5	8.8	8.4
Single person	8,748	14.6	42.6	28.9	19.9	8.5	0.1	0.0
Single person + children	17,586	41.9	15.0	19.3	21.4	22.6	10.4	11.3
Couple	2,164	24.5	28.2	36.1	15.6	15.2	3.7	1.2
Couple + children	8,407	24.9	9.5	14.5	21.7	25.7	15.5	13.0
			2004 average					
Total	36,401	26.0	22.7	22.0	21.1	19.3	7.7	7.2
Single person	9,197	15.3	44.7	28.0	19.0	8.2	0.1	0.0
Single person + children	16,834	43.3	15.5	19.9	21.8	23.0	9.4	10.3
Couple	2,296	25.0	30.2	35.6	15.7	14.1	3.3	1.1
Couple + children	8,074	25.5	10.3	15.8	23.7	25.6	13.9	10.7
			2005 average					
			January-July 2005					
Total	37,240	26.2	22.5	21.9	21.1	19.2	7.8	7.5
Single person	9,261	15.2	44.9	28.0	19.0	8.0	0.1	0.0
Single person + children	17,313	43.7	15.5	20.0	21.8	22.7	9.5	10.5
Couple	2,327	25.1	30.3	35.3	15.8	14.2	3.2	1.2
Couple + children	8,340	25.7	10.1	15.6	23.4	25.6	14.2	11.2

Table 5 (continued)
**Recipients of Income Support Benefit (Families) with Income from Work,
 by Family Composition and Income Level, 2004-2005**

Family composition	Total (absolute numbers)	Rate out of total number of families	Income level (NIS)					
			1-1,000	1,000-1,500	1,500-2,000	2,000-3,000	3,000-3,500	3,500+
August-December 2005								
Total	35,227	25.8	22.9	22.1	21.2	19.5	7.4	6.9
Single person	9,109	15.4	44.4	28.1	19.0	8.4	0.1	0.0
Single person + children	16,163	42.8	15.6	19.7	21.8	23.5	9.2	10.1
Couple	2,253	24.8	30.0	36.1	15.7	13.9	3.4	0.9
Couple + children	7,702	25.3	10.6	16.1	24.2	25.6	13.5	10.0
2006 average								
Total	34,681	26.6	22.2	21.9	21.2	20.3	6.8	7.7
Single person	9,321	16.3	43.0	28.4	18.9	9.6	0.1	0.0
Single person + children	15,625	43.8	14.5	18.6	21.8	24.8	8.8	11.5
Couple	2,296	26.4	27.2	37.6	15.9	13.8	3.8	1.6
Couple + children	7,439	26.0	10.5	15.6	24.6	26.1	12.1	11.0
2007 average								
Total	33,784	28.1	20.7	21.7	21.8	21.8	5.8	8.1
Single person	9,413	17.6	39.7	29.5	19.6	11.1	0.1	0.0
Single person + children	14,843	45.7	13.3	17.4	21.8	27.2	7.9	12.4
Couple	2,265	26.9	24.5	37.5	18.2	13.8	3.8	2.2
Couple + children	7,263	28.2	10.2	15.5	25.9	27.3	9.5	11.6

Box 8

Discontinuation of Income Support Benefit and the Right to a Hearing

Following a petition to the High Court of Justice concerning the discontinuation of eligibility for an income support benefit without a hearing procedure, the Income Support Department of the National Insurance Institute reviewed the work procedures concerning the discontinuation of the eligibility for a benefit. The review yielded that in virtually all cases in which the benefit is discontinued, the recipient of benefit receives an advance notice on the discontinuation of payment and he is afforded the opportunity to state his arguments prior to the discontinuation of payment, except in two cases: discontinuation of eligibility due to the use of a car – a situation that may apply to all benefit recipients – and discontinuation of eligibility to single-parent families only due to running a joint household with a spouse.

The Income Support Law determines that a person who receives an income support benefit may not own or use – even if he does not own – a car regularly, except for specific cases such as medical needs. Since January 2007 the recipient of an income support benefit may own a car, providing he is earning more than an amount stated in the law and that the car meets the specifications prescribed in the law. In addition, under the provisions of the law, the eligibility of either spouse to a benefit is conditional on the other spouse also meeting the conditions of eligibility. For the purposes of the Income Support Law, the definition of a spouse includes also common-law spouses. Hence, if a common-law spouse exists, then the receipt of the benefit is conditional on both spouses meeting the conditions of eligibility. Once the National Insurance Institute learns that the benefit recipient owns a car (or regularly uses a car) and does not meet the conditions prescribed under the law, or that there are common-law spouses regarding whom it was not checked whether they pass the test of eligibility for such situations, the NII is obliged to disqualify eligibility for a benefit.

The National Insurance Institute suggested before the High Court of Justice to conduct an experiment of holding a hearing in such cases. The experiment began in mid-September 2006 for a period of six months, during which a hearing was to be held in cases where the benefit was discontinued due to the two above-mentioned reasons only, in four local NII branches: Holon, Carmiel, Krayot and Ramle. The objectives of the experiment were as follows:

1. To examine the extent of response on the part of benefit recipients who were summoned to a hearing;
2. To examine whether there are arguments that were not brought into account while deciding to discontinue the benefit;
3. To examine whether as a result of the hearing process there is a change in the decision to discontinue the benefit.

During the period of the experiment the benefit paid to 104 families was discontinued due to use of a car or due to joint residency with a spouse. Of these cases, 52 families, of their own initiative, informed the NII of the change in their situation and payment of benefit to them was therefore discontinued. Two additional families took part in examining the topic following information

received from other sources. In these cases a hearing was not required. Of the 50 remaining cases, 48 families were afforded the opportunity to a hearing (in two cases summons to a hearing was not sent and these are currently being investigated by the Income Support Department).

Summary of experiment's results

- 48 questionnaires were received in total, with a little over half of them, 56%, concerning a hearing on the topic of joint residency with a spouse. There are differences among the local branches regarding the number of hearings and the topic of the hearing. Close to half of the hearing summonses, 44%, were sent by the Holon branch, and an additional 30% by the branches of Carmiel and Krayot, while in each of these branches there was a similar number of summonses. About half of the hearings on the topic of using a car were from Ramle, while in Holon more than half of the hearings were on the topic of joint residency with a spouse.
- About half of the families whose benefit was discontinued, 48%, did not respond to the summons. On the topic of using a car, nine families (43%) did not respond to the offer to hold a hearing, while on the topic of joint residency, 14 claimants (52%) did not contact a local NII branch.
- The most common forms of contacting the local branches were through a conversation in the branch itself and by letter.
- The most common argument on the topic of using a car was "I do not own the car". Few people argued that the car was used for medical needs or for work. On the topic of joint residency the most common argument was "we do not run a joint household". There were a few who explained that "my spouse is not a permanent one" or that he "does not participate in the household expenses".
- In 60% of the cases that responded to the hearing summons (15 cases), no further examinations were required in order to reach a decision whether to discontinue the benefit. In four cases, an investigation or completion of an investigation was required, and in four other cases the claimant was asked to furnish further documentation in order for a decision to be reached.
- In most cases that responded to the hearing summons, 81%, the decision was not changed as a result of the hearing process and the benefit to these families was discontinued. Payment of benefit to three families was approved (the benefit was not discontinued) and one family was approved partial payment, i.e., payment for a fraction of the discontinuation period, and discontinuation of the benefit after the approved period. In one case a decision was not taken with regard to the topic of the hearing since a disability pension claim was approved for the period of discontinuation of the income support benefit.
- All cases in which the decision changed as a result of the hearing (or a decision was not taken in the hearing) dealt with the topic of joint residency with a spouse.

- In the three cases where it was decided to continue to pay the benefit, additional information was required for that purpose.
- The number of cases in which a decision was taken to change the decision to discontinue the benefit was small (four), but so was the number of people who responded to the hearing summons (25 people). In contemplation of the small numbers, the rate of overturned decisions is meaningful. It is impossible to know what would have happened if the number of people who responded had been greater and it may be required to examine this in the future.
- In conclusion, in most families summoned to a hearing, 90%, the decision of discontinuation remained unchanged; close to half of them did not respond to the summons and the decision to discontinue the benefit was therefore not reexamined.

The rate of response to a hearing summons indicates a need to examine why people do not respond to a summons – whether it is a considered choice on part of the claimant or whether the reasons are different. After the experiment ended the National Insurance Institute decided to implement the hearing process when discontinuing a benefit on these grounds in all NII branches.

E. Implementation of the Integration of Benefit Recipients in Employment Law, August 2005 - December 2007

1) Participants in the "From Income Support to Secured Employment" / "Prospects of Employment" Program

As mentioned, in August 2005 the "From Income Support to Secured Employment"/"Prospects of Employment" program began to operate in experimental mode by means of corporations from abroad which joined forces with companies from Israel selected on the basis of a tender. The program operates in four regions of the country, in each of which at least one employment center was set up. These centers (in place of the government-run employment service) are responsible for conducting the employment test in the regions of the experiment and they deal with claimants and recipients of income support benefit **who reside** in these regions and who are **compelled** to take an employment test as a condition to receiving benefit. The grounds of entitlement of those compelled to take an employment test (the unemployed and low-wage workers) in regions of the experiment carries the name of the program – the "From Income Support to Secured Employment"/"Prospects of Employment" grounds. The planners of employment objectives who are stationed at the employment centers are the ones entrusted with work placement and with providing required assistance, as well as with forming a personal plan for each participant (according to the recommendations of the professional committees in cases referred to special diagnosis). The personal plan includes a weekly activity of 30-40 hours in which – in addition to part-time work which amounts to less than this quota of hours – there are various activities to promote work integration, such as vocational training, education supplementation, workshops for seeking jobs, practical practice aimed at acquiring work-related habits, and recently even employment diagnosis. Employment may be in the form of community work (without pay) for a limited period – but only in non-profit organizations or in special projects by public bodies. In appropriate and special cases, the law allows reducing the number of personal plan hours by half or even less, according to the limitations of the participant.

In order to promote work integration, the employment centers are meant to assist in the removal of additional barriers to employment through work-supporting services, such as assistance in care of small children and reimbursement of expenses incurred for traveling to and from the workplace.

Determining entitlement to income support benefit remained the discretion of the National Insurance Institute, but is subject to confirmation by the employment objectives' planner that the participant has indeed followed the plan prepared for him. Not following the plan in its entirety or in part entails a disqualification of benefit for one month, and a refusal to accept a job – for two months. The law also took it upon itself to protect benefit recipients, and a person who considers himself adversely affected by the decisions of the planner may appeal to the Appeal Committee.

This chapter discusses the experience accumulated during the two years since the operation of the "From Income Support to Secured Employment" program, and to the first five months since the operation of the "Prospects of Employment" program, which integrates changes suggested in the former program. The "Prospects of Employment" program began in August 2007. In October, those aged 45 and over were referred to the employment service, and in December the program's

population was expanded to include additional towns (Netanya, Ein-Mahel, the local council of Barta'a, Ein-A-Sahle, and Muawiye) and the entire population of the cities Nazareth, Jerusalem and Ashkelon.

2) Records made in attendance maps delivered by the centers

Passing the employment test, which is a condition for entitlement to income support benefit, was determined in respect of program participants, according to the record of activity/work made in the map of attendance delivered by the centers to the National Insurance Institute. The entries in the map of attendance were joined to form several categories:

- Refusal to accept work, which disqualifies benefit for the month of refusal and the following month;
- Non-cooperation in activity initiated by the center, refusal to undergo examination or provide information, and unjustified absence (for more than two days), which disqualify benefit for that month;
- A work extent that does not compel activity at the center, i.e., 30 hours or more;
- "Other Eligibility" – persons entitled to benefit who participate in an activity of the center that can be combined with work (for less than 30 hours). This group includes those who work part-time or who do not work, and who adhere to their personal plan.
- Work placement – made during the same month. A placement will be recorded in the attendance map as such, where work is found with one or more employers, for one who did not work previously, or – for one who worked previously – where the extent of his work with the same employer has increased, or where an additional position has been found for him with a new employer.

Benefit-disqualifying records, eligibility records and placement records⁷ – The number of people who reported to the four employment centers each month during 2002 was fairly stable, ranging between 17,270 and 17,800, but in the course of 2006 it steadily decreased: from 16,738 in the beginning of the year to 10,636 in its end, and continued to decrease in 2007 as well (Table 6). The many changes affected in the program during 2007 divide the year into two main periods: January to July – the end of the "From Income Support to Secured Employment" program, and August to December – the beginning of the "Prospects of Employment" program. During the first period the number of people who attended dropped slightly each month, ranging between 10,498 and 9,969. In July, on the eve of the new program's commencement, the number of attendees went up to 10,435. This increase may be the result of extenuations in the personal plans which began in this month. The number of attendees (as a monthly average) during the first period was 10,198.

7 It should be emphasized that once a placement is recorded in the attendance map, the benefit is discontinued until the pay slips – on the basis of which eligibility for benefit and its level are determined – are furnished. Hence, a benefit may be discontinued for the period of the placement month and will be paid retroactively for this month once eligibility is determined.

The second period of 2007 may be again divided according to changes in the program: In the months August to September, when the changes were implemented as part of reducing the extent of the personal plan (the number of attendance hours) for selected populations, the number of attendees was 10,742 on average per month, i.e., it continued to rise. In October, those aged 45 and over (except for participants who chose to take part in the "Prospects of Employment" program) were referred to the employment service and the number of attendees on average per month registered a sharp drop to 4,671 (their number in both months was similar). In December the program was expanded to additional regions and the number of attendees increased to 9,559. In total, the "Prospects of Employment" program included 8,077 attendees on average per month during the first five months of its operation.

The number of records that disqualified eligibility for a month or two months increased gradually during 2005, from 557 in August in all the employment centers (about 3% of all records) to 1,519 in December (about 9% of all records). In 2006, the absolute number of these records went down from 1,713 to 720, but their rate in the total number of records during the year ranged between about 10% to 7% on average per month. During the first seven months of 2007, the end of the "From Income Support to Secured Employment" program, the number of records and their rate continued to drop, going down to 509 records on average per month, which constituted 5% of all records made. In July 2007 the rate of benefit disqualifying records was only 3.6%. During the second period of 2007, in the course of the "Prospects of Employment" program the number of these records was slightly higher, 535 on average per month, and their rate was 7%. A comparison of the periods of implementation of the "Prospects of Employment" program yields that before the December expansion the rate of the benefit-disqualifying records was similar and even slightly lower than that observed at the end of the "From Income Support to Secured Employment" program implementation: During August-September, their number was 344 on average per month (about 3% of all records), and during October-November their number dropped further to 213 on average per month and their rate went up to about 5% of all records. On the other hand, together with expanding the program to additional regions, the number of benefit-disqualifying records increased sharply and stood at 1,563 on average per month, an increase of about 16%. This rate is much higher than that observed in the beginning of the "From Income Support to Secured Employment" program (August 2005): about 3%. The difference stems from the type of population summoned to the employment centers in the two periods. In December 2007, people eligible for benefit in November were summoned to report to the centers, as well as people who stopped receiving benefit up to two months before the beginning of the expansion, and claimants whose claim was not yet handled on the eve of the expansion. A situation was therefore created whereby in the first month, attendance maps reported many people who stopped receiving the benefit before the expansion and who never reported to the centers. In August 2005 only people who were eligible for benefit in the previous month were summoned to the "From Income Support to Secured Employment" centers and the number of maps containing benefit-disqualifying records was therefore very low. As in previous years, the main reason for disqualifying eligibility was unjustified absence and non-cooperation (for instance, 558 and 15, respectively, in February; 297 and 3, respectively, in September). The share of the disqualifications due to refusal to accept work was fairly low (58 in February, 9 in December).

Parallel to fluctuations in the rate of benefit-disqualifying records, the rate of records pertaining to eligibility during 2007 also ranged between 95% in January-July and 93% in August-December (about 96%, exclusive of December).

Placements – A total of 6,242 placements were recorded in 2007. At the conclusion of implementing the "From Income Support to Secured Employment" program, in January-July, the average rate of placements per month was lower than that observed during 2006 – 5.5% (559 placements on average per month), as compared with 6.5% in October, after which those aged 45 and over were referred to the employment service, the number of participants in the centers decreased sharply and the rate of placements increased to 8.5%, although their number went down to 398 on average per month. In the first month of the expansion the rate of placements was similar to that reported in the first half of the year: about 5.6%, i.e., 537 placements. This rate is slightly higher than that observed in the first month of the operation of the "From Income Support to Secured Employment" program in August 2005 – 4.8%.

Table 6
**Records Included in the Attendance Maps Delivered to the
National Insurance Institute (Monthly Average), August 2005-December 2007**

	2005	2006	2007	
	August-December	January-December	January-July	August-December
Total	17,560	13,264	10,198	8,077
Benefit-disqualifying records	1,062	1,112	509	535
Records pertaining to eligibility	16,498	12,153	9,689	7,542
Placements*	** 930	864	559	466

* Including placements recorded together with benefit-disqualifying records,

** Since the records of placements in August 2005 are unclear, the average refers to September-December 2005.

3) Demographic characteristics

The population of benefit recipients compelled to participate in the experimental "From Income Support to Secured Employment" program is similar in its characteristics to the other benefit recipients on grounds of unemployment and low wages. On the eve of opening the employment centers, the rate of women in these two populations was 63% and the rate of new immigrants about 32%⁸. In comparison to the population of non-participants, the participants in the beginning of the program were slightly older, but the rate of single-parent mothers and of couples with children were similar in both populations. The data are presented in Table 7.

8 A specification of the characteristics of the program's participants is set forth in the **Integration of Income Support Benefit Recipients in Employment Law – the "From Income Support to Secured Employment" Program – Follow-Up Report No. 2, February 2007**, by Leah Ahdut, Gabriela Heilbron, and Miriam Shmeltzer, Research and Planning Administration, National Insurance Institute.

After two years of the program's implementation, it becomes clear that the reduction in the number of benefit recipients who participated in the program was more characteristic of men, young persons (up to age 30), seniors, couples with children, and single persons without children. All these have better chances to become integrated in work, although exiting the system is not solely attributed to integration in the labor market. On the other hand, in the rest of the country, in July 2007, as compared with July 2005, there was a reduction in the number of recipients among new immigrants, the young, single-parent families and couples with children.

In conclusion, while comparing the changes among the program's participants and among those who are not in the program, the following developments are evident:

- The rate of women among the participants of the "From Income Support to Secured Employment" program increased, while in the rest of the country there was no change.
- The changes among the single persons, single-parent families, and new immigrants present an inverse trend in both population groups: among the new immigrants and the single-parent families there is a considerable increase in the program's participants while their rate among the population which does not take part in the program has been reduced. Among the single persons the situation is the opposite.

It is still early to assess the changes affected to the population following the implementation of the "Prospects of Employment" program, aside from the decrease in the number of adults, which was understood to be a part of the changes in the program. The expansion of the program in December 2007 changed the composition of the population again and it may be possible to report its influence in the future.

Table 7
Characteristics of Income Support Recipients in "From Income Support to Secure Income" Program, and in Rest of the Country

	Program participants						Program non-participants (must undergo employment test)					
	July 2005	December 2005	December 2006	July 2007	November 2007	December 2007	July 2005	December 2005	December 2006	July 2007	November 2007	December 2007
Women	63.8	66.2	70.9	70.9	73.9	73.9	63.1	63.3	63.5	64.0	64.0	63.6
New immigrants	32.1	34.8	38.2	37.5	34.0	30.9	31.2	30.4	29.0	28.5	28.5	27.0
Young people (to age 30)	13.1	12.0	7.8	7.2	17.8	15.7	16.5	17.2	14.5	13.4	12.1	13.1
Elderly (over age 50)	34.0	34.0	41.1	44.3	5.8	3.3	31.7	31.0	35.4	37.8	40.0	38.0
Single persons*	40.7	39.9	35.7	36.9	23.1	24.5	40.9	41.9	42.7	43.2	44.2	44.3
Single-parents*	26.3	28.9	35.5	34.9	50.4	46.3	26.2	25.6	24.6	24.3	23.5	23.1
Couples with children*	25.3	23.3	20.5	19.8	25.0	27.4	26.0	25.6	25.2	24.7	24.2	24.9

* Out of total number of families. The remaining rates were calculated out of the total number of individuals.

F. Women who receive alimony

The Alimony (Guarantee of Payment) Law assures payment to women who are divorced, separated, common-law wives or women who remarried, in favor of whom a court determined alimony, when the person obligated does not pay. The amount due is that determined in the court judgment or that set in the Alimony Law regulations – the lower of the two; when the amount of alimony determined is higher than that compelled by the regulations, the latter is paid, subject to an income test. The rate of alimony set in the regulations is equal to that of the income support benefit for single-parent families. The National Insurance Institute is responsible for collecting the alimony determined in a court judgment through enforcement proceedings against the person obligated. Hence, only a women who herself does not initiate proceedings to enforce the judgment, or who has stopped such proceedings before turning to the NII, is eligible for payment of alimony through the NII. In cases where the NII collects from the person obligated an amount higher than that paid to the woman, she is entitled to receive the difference.

The amendments to the income test in the Income Support Law influenced this population as well and in 2005-2007 the number of women who received alimony from the National Insurance Institute continued to decrease – at a rate of 4% each year – after a cumulative reduction of 12% in 2003-2004. In 2007, alimony was paid to about 21,700 women on average per month. Moreover, as noted below, the number of women who received both alimony and an income support benefit continued to decline.

The demographic characteristics of women who received alimony in 2007 were similar to those of previous years: about 72% of them were divorced, about 22% lived separately from their spouse – although still married to him – and the remainder, about 6%, were common-law wives. Most women who received alimony (about 81%) were mothers to one or two children (as compared with 65% of all families with children in the population), and only about 8% were mothers to four or more children (as compared to 17% of all families with children in the population).

The rate of women who received alimony determined by court judgments and the characteristics of their employment were affected in 2003 by the legislative amendments, but remained unchanged through 2004-2007. 71% of the women received alimony determined by court judgments and the remainder according to the regulations: 6% received the full rate set in the regulations and about 23% received a reduced payment due to income from work. The average amount paid to women was about 19% of the average wage in the economy (about NIS 1,466 per month), but there is a substantial gap between the amount paid according to court judgment and the amount paid according to the regulations (Table 9). In 2007 the average amount paid according to court judgment was a mere 18% of the average wage, while according to the regulations it was 35% of the average wage to a woman who received the full rate and about 17% to one who received a reduced rate. The substantial difference between these amounts (according to court judgment and according to the regulations) is even more notable where the average payment **actually** made is calculated as a percentage of the average payment that would have been received **if all** women would have received the full rate to which they are entitled under the regulations. According to this calculation, the women actual receive half the amount they would have received had they all been paid according to the regulations.

Table 8
**Women Who Received Alimony by Personal Status
 (Absolute Numbers and Percentages), 2000-2007**

Year	Total		Personal status			
	Absolute numbers	Percentages	Married to person obligated	Divorced	Remarried	Other
2000	24,709	100.0	24.9	65.3	6.6	3.1
2001	26,294	100.0	23.8	66.5	6.2	3.5
2002	27,956	100.0	22.5	68.1	6.0	3.4
2003	25,789	100.0	18.4	71.2	6.4	4.0
2004	24,596	100.0	16.5	72.1	7.0	4.4
2005	23,603	100.0	14.8	72.8	7.5	5.0
2006	22,712	100.0	14.4	72.3	7.8	5.5
2007	21,771	100.0	13.8	72.1	8.2	5.9

In 2007 about 47% of the women who receive alimony worked (as compared with 49% of the entire population of women), but their economic situation was not good. The amount of alimony determined for most of them in court was low to a degree that dispensed with the need to hold an income test. The average amount of alimony paid to working women reached approximately 15% of the average wage in the economy. In addition to their income from work, their total income reached less than half the average wage in the economy – a rate merely 30% higher than the rate of alimony for women who received the full payment according to the regulations.

Table 9
**Women Who Received Alimony by Type of Payment
 (Absolute Numbers and Percentages) 2000-2007**

Year	Total		Type of payment (percentages)		
	Absolute numbers	Percentages	According to regulations		According to judgment
			Full	Reduced	
2000	24,709	100.0	3.7	15.5	80.8
2001	26,294	100.0	2.6	13.2	84.1
2002	27,956	100.0	3.4	16.2	80.4
2003	25,789	100.0	6.2	22.7	71.1
2004	24,596	100.0	6.2	22.3	71.5
2005	23,603	100.0	6.4	23.1	70.5
2006	22,712	100.0	6.1	22.3	71.6
2007	21,771	100.0	6.3	22.7	71.0

Table 10
**Average Alimony Payment as Percentage of the Average Wage in Economy,
 by Type of Payment and Employment, 2000-2007**

Year	Total	Type of payment			Employment	
		According to regulations		According to judgment	Employed	Unemployed
		Full	Reduced			
2000	19.1	41.3	17.6	18.4	17.3	20.5
2001	19.5	44.0	18.9	18.9	17.9	20.7
2002	20.6	44.3	19.9	19.7	18.5	22.3
2003	18.8	37.6	16.3	18.0	14.6	21.7
2004	19.0	37.1	16.7	18.2	15.0	22.0
2005	19.3	36.4	17.4	18.4	15.5	22.5
2006	19.0	35.8	17.2	18.1	15.2	22.1
2007	19.1	35.8	17.2	18.3	15.2	22.6

These data show that the Alimony Law per se does not guarantee for all women the minimum income they require. Hence, women in favor of whom a court determined a low amount of alimony and who do not have any other income, or whose income from other sources is very low, are eligible for an income supplement from the National Insurance Institute under the Income Support Law, if they meet all the other conditions of eligibility for this supplement. Indeed, in 2007 an average of about 5,000 women who received alimony on a monthly basis also received an income supplement under the Income Support Law, as compared with 6,900 in 2005, 7,900 in 2004, 8,800 in 2003, and 12,200 in 2002. In 2002 they constituted 44% of all women who received alimony, but this rate decreased to about 24% in 2007. This means that the legislative amendments also reduced the eligibility of women who receive alimony to an income supplement under the Income Support Law.