

5. Maternity Insurance

A. The benefits

Maternity insurance came into effect on April 1, 1954 and was among the first five insurance branches covered by the National Insurance Law. Women giving birth in Israel are granted the following benefits under the Maternity insurance branch:

Hospitalization grant – This grant is designated to fund the hospitalization and delivery-room expenses of women giving birth and their newborn children, and is paid directly to the hospital. Since December 1993, a hospitalization grant has been paid at an increased rate in the instance of births of premature babies. During the first two years after the enactment of the National Health Insurance Law (in January 1995), the hospitalization of women giving birth and their newborn children, including premature babies, had been included in the basket of health services prescribed by the law. The NII funded childbirth hospitalization from the sums collected for the Maternity insurance branch, and transferred these sums to the Ministry of Health. Since January 1997, the hospitalization grant is once again being paid directly to the hospitals. If a pregnant woman gives birth while she is abroad, the hospitalization grant is paid directly to the mother upon her submission of a claim.

The amount of the hospitalization grant varies as follows:

1. Every January, the amount is updated according to the formula prescribed in the law, according to which the payment for normal deliveries and an additional payment for premature deliveries will be equivalent to the total sum that would have been paid for these deliveries had there been no difference in the amounts of the grant between normal and premature deliveries.
2. Whenever the Ministry of Health changes the price per day of general hospitalization, the amount of the hospitalization grant changes at the same rate.
3. Pursuant to a government decision under the Economy Arrangements Law – In recent years, the government has updated the amount of the hospitalization grant within the scope of the arrangements laws: in April 2005, the hospitalization grant for a premature birth was increased by approximately 50%; in January 2007, the hospitalization grant was increased for all childbirths by 12.1%; in August 2009, the grant was increased again by approximately 10%. Government intervention in determining the amount of the hospitalization grant is, in effect, a means for injecting a budget to hospitals via the NII.

Expenses of transportation to a hospital – The NII also participates in the expenses of transporting a woman in labor to a hospital. In 2008, the eligibility criteria for transportation to a hospital were made less stringent. Previously, a woman in labor had been eligible for transportation only if she lived a great distance from a hospital. Since March 16, 2008, every woman in labor is eligible for transportation to the hospital nearest to her place of residence.

Birth grant – This grant is designated for the purchase of a layette for the newborn and is paid directly to mothers. Up until July 2002, the rate of the birth grant to mothers had been uniform, disregarded the number of previous births, and had been 20% of the statutory average wage. In August 2003, the rate of the grant was revised relative to the second and subsequent births and was affixed at 6% of the average wage. In January 2004, the rate of the birth grant was increased for the second child only, to 9% of the average wage. When two or more children are born in a single delivery, the rate of the birth grant is higher: for twins – the amount is equivalent to the average wage, and for each additional twin – another 50% of the average wage. Since January 2006, the amount of the birth grant has been calculated according to basic amount number 1.

Maternity allowance – This benefit is intended to compensate working mothers for their losses of wages during the maternity leave that they are obligated to take under the Employment of Women Law. All working mothers are eligible for a maternity allowance – employees, the self-employed and those in vocational training – for whom insurance contributions have been paid during the period prior to the birth, for the periods prescribed in the law. The maternity allowance is paid for seven or 14 weeks, depending on the qualifying period that the woman has accumulated by the date prescribed in the law (prior to an amendment to the law in May 2007, the maternity allowance had been paid for six or 12 weeks). Since November 1994, the maternity allowance per day replaces the full wage or the average earnings per day earned by the mother during the three months before she stopped working (upon going into labor or before it), but does not exceed the maximum amount prescribed in the law. Withholding tax, national insurance and health insurance contributions are collected from the maternity allowance.

Pregnant women may begin receiving a maternity allowance before their estimated delivery date, but for no more than half of their eligibility period for the allowance. Under certain circumstances, the maternity leave may be extended for a maximum of four weeks. Since 1998, men who share the maternity leave with their spouses can receive a maternity allowance, provided that their spouses have returned to work.

Foreign working women are also eligible for a maternity allowance. The 2003 Arrangements Law prescribed that those among the foreign women who are staying in Israel without a permit as required by law are not eligible for a birth grant or for a maternity allowance.

Childbirth allowance – This allowance is paid to women who give birth to three or more babies in one delivery, who have remained alive for the period prescribed by law, and is designated to assist her with economic expenses. This multiple-birth allowance is paid monthly for 20 months. The amount of the allowance is derived from the basic amount and gradually diminishes during the period of eligibility.

Risk pregnancy benefit – This benefit is paid to working women who, for medical reasons relating to their pregnancies, are forced to stop working for at least 30 days and

are not receiving payment from their employers or from any other source in respect of those days. The qualifying period for eligibility for this benefit is the same as the qualifying period for a maternity allowance. At the beginning of 1995, the rate of a risk pregnancy benefit had been affixed at the equivalent of the woman's average wage during the three months before she stopped working, but not more than 70% of the average wage. In 2000, the law was amended, so that the maximum amount payable had been the full average wage (since 2006, the rate is the full basic amount).

Special pension and special benefit – These benefits are paid if a woman dies during childbirth or within one year of that childbirth: a monthly pension of 30% of the average wage is paid for a period of 24 months for every infant born during that delivery. If a survivors' benefit or a dependent's benefit is being paid for the child, the pension is paid for 12 months only. A special benefit is paid to the spouse of the deceased, if he stopped working in order to care for his child, at the rate equivalent to an injury allowance and for up to 12 weeks. This special pension is paid in respect of approximately 10 incidents of death during childbirth per annum.

B. Main trends

In 2010, the uptrend in the number of births among the population of women of childbearing age (15-44) continued: in 2010, birth grants were paid to approximately 167,000 women (Table 1) – an increase of 5.7% compared with 2009. Between 2009 and 2010, the number of women of childbearing age rose by 3.4%. In other words, the number of births per 1,000 women of childbearing age has risen slightly, from about 102 births in 2009 to about 104 births in 2010.

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Approximately 48,300 of the babies born during 2010 were firstborns, approximately 45,700 were second-born, and approximately 73,000 were third-born or subsequent births, as presented in table 2. Approximately 3,400 were births of twins and approximately 80 were births of triplets, etc.

Among the total number of hospitalization grants paid in 2010, 2,676 grants were paid in respect of premature births – 20 more premature births than in 2009.

Table 1
Live Births by Order of Birth (percentages), 2006–2010

Year	Total	First birth	Second birth	Third birth	Fourth and subsequent birth
2006	100.0	29.2	27.4	19.0	24.4
2007	100.0	28.6	27.3	19.6	24.6
2008	100.0	29.9	27.8	19.8	22.5
2009	100.0	29.8	27.1	20.0	23.1
2010	100.0	29.0	27.4	19.9	23.7

In 2010, 103,000 women received a maternity allowance – an increase of 5.7%

Women who received a maternity allowance constituted 62% of all women who received a birth grant

In 2010, approximately 103,000 women received a maternity allowance, compared with approximately 98,000 women in 2009 – an increase of 5.7%. In 2009 and 2010, the number of women of child-bearing age who participated in the work force rose by only 2.3%. In other words, the number of women who received a maternity allowance per 1,000 married women participating in the work force rose from 107 women in 2009 to 111 women in 2010.

The rate of the rise in the number of women who received a maternity allowance was the same as the rate of the rise in the number of women who received a birth grant. Women who received a maternity allowance constituted 62% of all women who received a birth grant, both in 2009 and in 2010. The average age of recipients of a maternity allowance has remained stable in recent years – 31 years of age. Approximately 95% of the women who received a maternity allowance were employees, while the remainder – 5% – were self-employed, members of a kibbutz or of a cooperative settlement (moshav).

Table 2
Women Receiving a Birth Grant and a Maternity Allowance
(monthly average) (absolute numbers and percentages), 2006–2010

Year	Received a birth grant		Received a maternity allowance		
	Absolute numbers	% change from previous year	Total	% change from previous year	Percentage of all women who received a birth grant
2006	143,599	0.5	83,285	7.1	57.6
2007	147,245	2.5	88,285	5.0	58.4
2008	152,319	3.5	93,630	5.1	61.5
2009	157,702	3.5	97,715	4.4	62.0
2010	166,694	5.7	103,318	5.7	62.0

The distribution according to the rate of the maternity allowance per day indicates that, in 2010, less than one third of the women received a maternity allowance at a per-day rate that was not higher than half of the average wage in the economy, while approximately one quarter received a maternity allowance at a per-day rate that exceeded the average wage in the economy. The percentage of women who are receiving a maternity allowance at a rate exceeding the average wage has been steadily rising, from 19.6% in 2006 to 24.6% in 2009 and 2010. Concurrently, the ratio of women who are earning up to half of the average wage has been diminishing, from approximately 37% in 2006 to 32% in 2009 and 2010.

In 2010, the average earnings from work of women giving birth was NIS 6,702 per month, which constitutes 81% of the average wage in the economy

Since the maternity allowance is paid at the rate of the woman's wage prior to giving birth, the distribution by the rate of the maternity allowance represents the distribution of the wages among these women. In 2010, the average earnings from work of women giving birth was NIS 6,702 per month, which constitutes approximately 81% of the average wage in the economy, compared with NIS 6,444, constituting approximately 79% of the average wage in 2009.

Table 3
Recipients of a Maternity Allowance, by Per-Day Rate of the Maternity Allowance as a Percentage of the Average Daily Wage (absolute numbers and percentages), 2006–2010

Year	Total recipients (numbers)	Up to ¼ of the average wage	¼ - ½ of the average wage	½ - ¾ of the average wage	¾ to the full average wage	Higher than the average wage
2006	83,285	8.7	28.2	28.1	15.4	19.6
2007	88,285	8.5	27.3	28.4	15.9	20.0
2008	93,630	7.5	25.5	27.4	16.8	22.8
2009	97,715	7.1	23.8	27.3	19.2	24.6
2010	103,318	7.7	24.7	26.6	16.9	24.1

The amount of the maternity allowance varies according to demographic and employment characteristics, similarly to the variance among the wages:

- The amount of the maternity allowance increases parallel to the age of the woman. The average maternity allowance in 2010 was NIS 223 per day, which is approximately 81% of the average daily wage. Women up to the age of 24 received a maternity allowance at the rate of approximately 45% of the average daily wage in the economy, while among women who were at least 35 years old, the rate rose above the average daily wage in the economy (106% of the average daily wage in the economy).
- The maternity allowance paid in communities in the center of the country was higher than that paid in outlying regions of Israel. The NII's Tel Aviv and Kfar Saba branches recorded the highest average rate per day for the maternity allowance (115% of the average daily wage in the economy), while the NII's Bnei-Brak and Nazareth branches recorded the lowest average daily rate (approximately 60% of the average daily wage in the economy).
- In 2010, the number of men who received a maternity allowance reached 369 men, compared with 285 men in 2009, 281 men in 2008 and 246 men in 2007. In other words, in 2010, there was a 29% rise in the number of men who submitted claims for a maternity allowance, compared with 2009, but their numbers were relatively negligible. For nearly every 1,000 women who received a maternity allowance, less than four men received a maternity allowance.

C. Volume of payments

Table 4 presents the volume of benefits paid by the maternity insurance branch under the National Insurance Law, by benefit category. The data show that, in 2010, there was a 7% increase in the volume of benefit payments by the maternity insurance branch (at fixed prices). Payments of hospitalization grants and maternity allowances constitute

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approximately 93% of all payments by the branch. The rise in the total volume of payments was primarily due to an increase in the number of births.

The ratio of payments by the maternity insurance branch to total NII payments has risen gradually and steadily, from 6.3% in 2006 to approximately 8.6% in 2010, although the rise in 2010 was negligible.

Table 4
Payments of Maternity Benefits, at 2010 Prices (NIS thousand),
2006–2010

Year	Total benefit payments	Hospitalization	Birth grant	Maternity allowance	Risk Pregnancy
2006	3,142,980	1,421,273	152,339	1,474,123	82,176
2007	3,682,846	1,669,852	152,223	1,752,649	94,228
2008	4,084,134	1,652,509	159,956	2,140,445	120,288
2009	4,413,521	1,831,358	168,459	2,256,161	141,163
2010	4,717,447	2,032,637	176,245	2,342,757	149,574