

Chapter 3

Benefits: Activities and Trends

1. Income Support (including maintenance payments)

A. General

In 2011, the number of families receiving an income support benefit continued to decline and reached 105,300 families on average per month, compared with 109,400 families in 2010 – a decrease of 3.8%. The downtrend began after the second quarter of 2003 (when the number of families receiving income support reached a record 159,000) and persisted until 2009, when the level stabilized at the 2008 level. The decrease in the number of recipients of this benefit in 2011 was apparently due to the state of the Israeli economy, which remained robust after recovering from the crisis of 2008/2009.

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B. Highlights of the Income Support Law in its 2003 format

This legislation, the key elements of which were anchored in the 2003 Economic Arrangements Law, introduced far-reaching changes in the following components of the Income Support Law relative to the working-age population: the level of the maximum benefit, the means test and the employment test. The amendments to the Income Support Law also affected the Maintenance (Assurance of Payment) Law. The new legislation went into effect in January 2003, but the sections pertaining to a reduction of the benefit and revisions in the means test were actually implemented in June 2003.

In its present format, the Income Support Law retains two benefit rates for the long term – the regular rate and the increased rate – but prescribes, in effect, three levels of benefit for the transitional period.¹ The law differentiates between eligible persons who are at least 55 years old² and those under 55. The benefit and the means tests for those who are at least 55 years old remained unchanged for all family compositions, and they are eligible for a benefit at an increased rate (as had been the case before January 2003), whether they are newly eligible persons or previously eligible persons.³ The differentiation between newly eligible persons and previously eligible persons is relevant only for persons under the age of 55: all newly eligible and all previously eligible persons for the regular rate are paid a benefit at the regular (now reduced) rate, and all those previously eligible for the increased rate are paid a benefit at the increased (now reduced) rate. The significance of these revisions is that over the years – at the end of the transitional period – anyone under the age of 55 will only be eligible for a benefit at the reduced regular rate.

1 The revisions in the level of benefits and in the means test are presented in detail in the NII Annual Survey for 2002-2003.

2 The rates of the income support benefit for recipients of old-age and survivors' pensions have remained unchanged. Those eligible for benefits from the Work Injury Insurance branch will be eligible for an income support benefit at the same level as that of survivors from the Old-Age and Survivors' Insurance branch, regardless of the age of the eligible person.

3 A previously eligible person is anyone who began receiving a benefit prior to January 1, 2003, including anyone whose benefit payment had been discontinued for a period not exceeding six months.

Since January 2003, the Employment Service has not been allowed to classify a claimant for an income support benefit as being either temporarily or permanently unemployable. The Income Support Law, in its new format, defines all those who are not required to report to the Employment Service. The most significant legislative amendment concerns mothers of small children: prior to the legislative amendments, these mothers had been exempt from an employment test if their youngest child was under age seven; since the amendments, they are exempt only until their youngest child turns two. The situation for widows relative to the employment test was equated with that of mothers with small children: up until January 2003, widows with minor children (under the age of 18) had been exempt from reporting to the Employment Service, regardless of the age of their minor children. No amendments were made relative to women eligible for maintenance (alimony) payments, and they continue to be exempt from the employment test.

The Economic Policies for the Year 2004 Law – Integration of Benefit Recipients in the Labor Market (Temporary Order) was approved in 2004 and, in August 2005, the responsibility for conducting employment tests in the pilot regions was transferred from the Employment Service to private employment centers. The participants in the program, widely referred to as the “Wisconsin Plan,” had been recipients of an income support benefit under the grounds for eligibility of “lacking employment” or “low wage.” In April 2010 the program was ended, and the responsibility for conducting employment tests was returned to the Employment Service.

Since January 2007, ownership of a car no longer automatically disqualifies claimants for an income support benefit (in the past, ownership of a car was only allowed in instances of special need, such as medical need), if the car owned by the claimant has an engine capacity of up to 1300 cc and seven years since its year of manufacture have elapsed, or up to 1600 cc and 12 years since its year of manufacture have elapsed. A car owner will be eligible to receive an income support benefit only if the benefit claimant (or spouse) has income from work that exceeds 25% of the average wage (17% of the average wage, in the case of a retirement-age claimant). The law also applies to persons who have been dismissed from work.

In addition, easements were instituted for retirement-age persons who are eligible for a benefit (or their spouses) who travel abroad, whereby travel abroad up to three times a year, not exceeding a total of 72 days, will not cause their benefit to be revoked. Travel abroad a fourth time or exceeding the limit of 72 days will result in eligibility being suspended for all periods of absence from Israel during that calendar year. Prior to the legislative amendment, travel abroad more than once during a calendar year revoked one's eligibility.

In July 2008, an additional amendment to the law was passed whereby a single parent shall receive an income support benefit, notwithstanding his studies at an institution of higher education or in a course whose duration exceeds 12 months. The objective of

this amendment is to help single parents acquire a suitable education enabling them to integrate into the work force and extricate themselves from the ranks of those lacking employment, or to improve their potential to earn a higher wage. A claimant applying for a benefit will be eligible for this benefit if the following criteria are met: single parent eligible for a benefit; an income support benefit had been paid for 16 out of the 20 months preceding the first month of studies at an institution; the curriculum does not award a master's or doctoral degree; the duration of the benefit payments in respect of the period of studies shall not exceed 36 months; for those lacking employment – the studies are held in the evening.

During 2011, an amendment was implemented that determines how to take into account the compensation payments made to the evacuees of Gaza and northern Samaria for the land they lost in the 2005 disengagement. A distinction was made between those who received the compensation as a one-time payment and those who chose to receive the compensation in monthly payments (156 equal payments).

In 2012, the High Court of Justice ruled that owning a car or having regular use of a car in and of itself cannot deprive one of an income support benefit, and that the state must find another criteria for determining eligibility and enable car owners to receive the benefit under a suitable means test.

C. Recipients of an income support benefit

1. Development of the number of recipients

The period from June 2003-December 2008 was characterized by a steady downtrend in the number of recipients of the income support benefit. This trend began when stringent legislation was implemented in June 2003, when the benefits of some 5,000 families were revoked and the obligation of meeting an employment test as a precondition for eligibility for a benefit was expanded to additional populations. This downtrend persisted, due to the continuous impact of the reduction of the maximum income qualifying for an income support benefit, and due to improvement in the employment situation in Israel from 2004 until the second half of 2008. The operation of employment centers within the framework of the “From Income Support to Self Sufficiency” program in August 2005 and the “Prospects for Employment” program in August 2007 accelerated the downtrend in the number of recipients of income support benefit.

A reversal in the trend occurred in 2009: the number of families receiving a benefit rose at the beginning of the year and stabilized at a higher level during the second half of the year, which apparently was due to the state of the economy that year. On the other hand, in 2010 and 2011 the number of recipients of an income support benefit decreased – a trend that apparently reflected the recovery of the Israeli economy.

The implementation of the 2003 Economic Arrangements Law led to a decrease in the number of families receiving income support benefits, from a record number of some

159,000 (on average per month) at the beginning of 2003 to 145,300 during the first half of 2004. The persistent impact of the legislation, coupled with the improvement in the employment situation in the economy, led to an additional – albeit more moderate – decrease in the number of recipients to approximately 142,000 during the second quarter of 2005. The launching of the “From Income Support to Self Sufficiency” program (in August 2005) reinforced the downtrend, and the number of recipients dropped to about 130,300 on average per month in 2006, and continued to drop to 111,800 in 2008 (Table 1).

The average number of recipient families per month in 2009 remained the same as in 2008. Despite the rise in the number of families eligible for a benefit in 2009 – from 109,700 families at the beginning of the year to 112,900 in May – their number at the end of the year was lower than it had been at the beginning of 2008 (112,057, compared with 113,852, respectively). Therefore, the average per month was similar in 2008 and 2009. During 2010 and 2011, the number of families receiving an income support benefit decreased by 2.1% and 3.8%, respectively. Table 1 and Graph 1 clearly illustrate this development.

Furthermore, in 2009, alongside the steady but moderating downtrend in the number of new immigrant families (according to benefit claimants), there began to be, for the first

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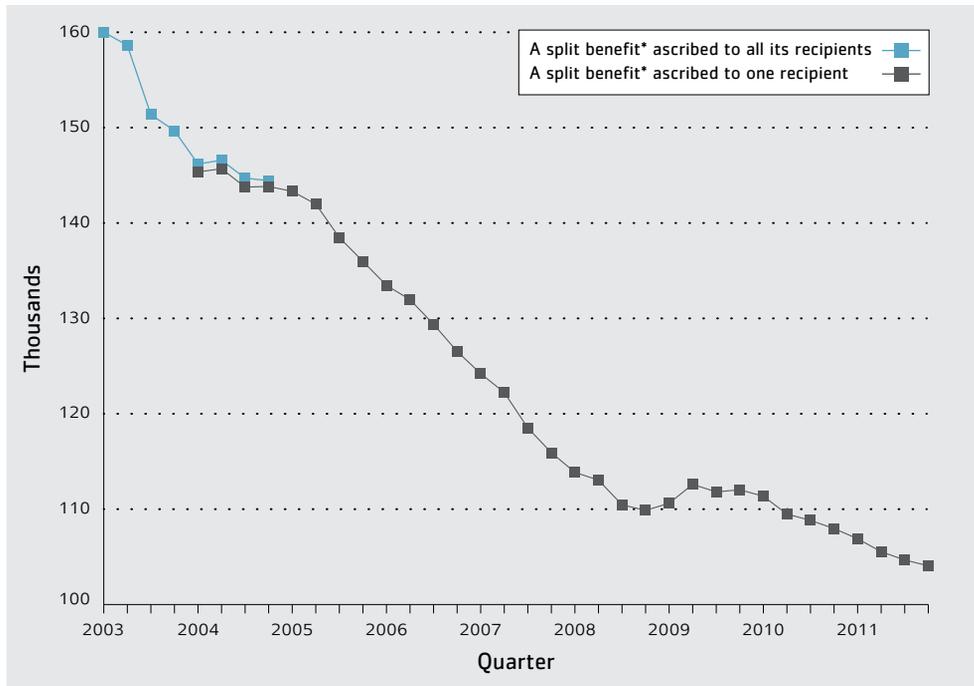
Table 1
Average Number of Families Receiving Income Support Benefit per Month, by Years in Israel,* 2005–2011

Year	Total		Long-standing residents		New immigrants	
	Absolute number	Rate of change	Absolute number	Rate of change	Absolute number	Rate of change
2005	139,940	-3.3	93,037	-1.2	46,903	-7.2
1-7/2005**	142,321	-2.1	94,302	0.2	48,019	-6.3
8-12/2005**	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
1-7/2006**	132,380	-7.5	89,084	-5.9	43,296	-10.9
8-12/2006**	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
1-7/2007**	122,748	-7.3	83,931	-5.8	38,817	-10.3
8-12/2007**	116,677	-8.5	80,469	-7.3	36,208	-10.9
2008	111,808	-7.0	78,011	-5.4	33,798	-10.4
1-7/2008**	113,073	-7.9	78,454	-6.5	34,619	-10.8
8-12/2008**	110,037	-5.7	77,390	-3.8	32,647	-9.8
2009	111,765	-0.04	79,461	1.9	32,304	-4.4
2010	109,407	-2.11	79,102	-0.5	30,304	-6.2
2011	105,292	-3.8	77,443	-2.1	27,849	-8.1

* Years in Israel are determined by the benefit claimant's years of Israeli residence.

** Compared with the corresponding period in the previous year.

Graph 1
Number of Families Receiving Income Support Benefit,
by Quarter (thousands), 2010-2011



* A split benefit paid to more than one recipient in one family.

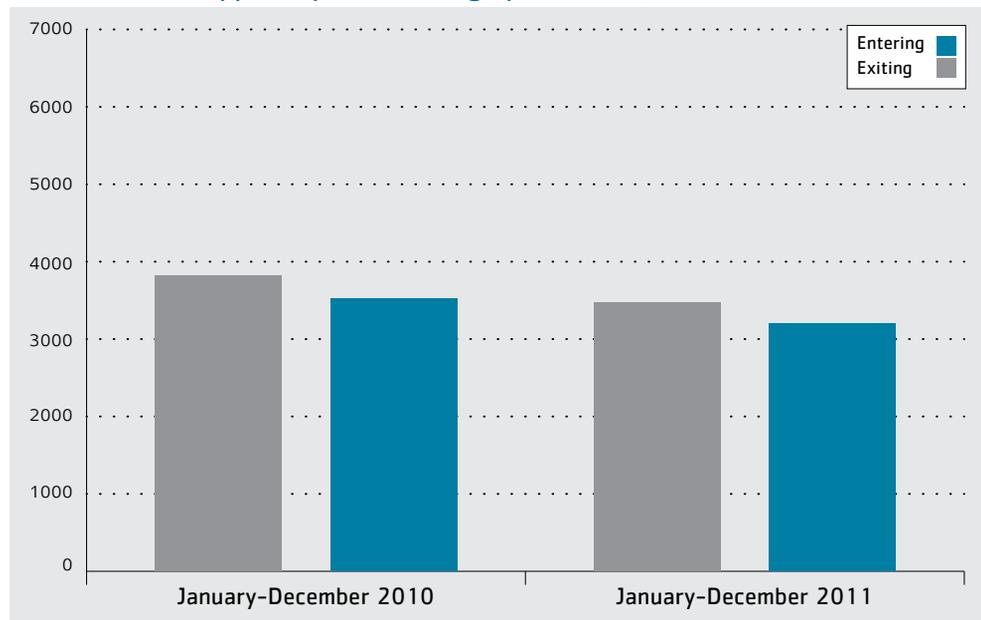
time since 2004, an increase in the number of long-standing resident families receiving benefits (according to benefit claimant). In 2010, the trend reversed once again – the number of long-standing resident family recipients decreased, and there was a sharp drop in the number of new immigrant family recipients compared with 2009. In 2011, the downtrend in the number of families receiving income support continued among both long-standing and immigrant families; the drop in immigrant recipients particularly accelerated, with a drop of 8.1% in 2011 compared to 6.2% drop in 2010.

With that, while in 2010 the drop in immigrant families constituted 85% of the total drop in the number of recipient families, in 2011 they contributed only 60% to the total drop. In other words, while the drop in the number of families receiving income support in 2010 stemmed primarily from the drop in immigrant families receiving the benefit, in 2011 a substantial part of the drop (40%) stemmed from a decrease in the number of long-standing families receiving it.

An analysis of claimants entering and exiting the income support system during the years 2010-2011 as described in Graph 2 show that in 2011 the number of those entering and exiting the system on average per month decreased by a similar rate of some 9%. In

In 2011 there was a slowing of entries to and exits from the income support system

Graph 2
Number of Families Entering* and Exiting the Income Support System (average per month), 2010-2011



other words, there was a slowing of entries to and exits from the income support system. However, because the number of exits was greater than the number of entries, there was a drop in the total number of those receiving the benefit in 2011.

2. Characteristics of income support benefit recipients

a. Family composition and number of years in the country

The decrease in the number of benefit recipients since mid-2003, a period marked by drastic revision of the eligibility criteria and the rate of the income support benefit, was accompanied by a change in the recipients' family composition. The legislative amendments pertaining to the level of benefit, means test and employment test, which continued to receive expression between 2004 and 2007, did not have a uniform impact on the various population groups. Beyond the impact of the legislative amendments, it is possible that not all recipients enjoyed more employment opportunities as a result of the economic growth in Israel during that period, and these differences could have also affected the type of populations receiving an income support benefit. To illustrate the changes in the makeup of the recipient population, data is presented from the beginning of 2003 (prior to the legislative changes) until 2008 (which encompasses the full operation of the "Prospects for Employment" program), and for 2009 through 2011.⁴

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⁴ For details regarding the changes in the family composition of benefit recipients between 2004 and 2007, see the NII's Annual Survey for 2008.

Table 2
Recipients of Income Support Benefit, by Family Composition
and Years in Israel, 2003, 2008-2011

Family composition	Numbers			Percentages		
	Total	Long-standing residents	New immigrants	Total	Long-standing residents	New immigrants
January – March 2003						
Total	160,006	102,194	57,812	100.0	100.0	100.0
Individual	58,331	38,000	20,331	36.5	37.2	35.2
Individual + 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
Average 2008						
Total	111,808	78,011	33,798	100.0	100.0	100.0
Individual	50,683	33,843	16,840	45.3	43.4	49.8
Individual + children	29,401	17,024	12,377	26.3	21.8	36.6
Couple	8,145	5,179	2,967	7.3	6.6	8.8
Couple + children	23,579	21,965	1,614	21.1	28.2	4.8
Average 2009						
Total	111,765	79,461	32,304	100.0	100.0	100.0
Individual	51,825	35,177	16,648	46.4	44.3	51.5
Individual + children	28,145	16,906	11,240	25.2	21.3	34.8
Couple	8,283	5,421	2,862	7.4	6.8	8.9
Couple + children	23,512	21,957	1,555	21.0	27.6	4.8
Average 2010						
Total	109,407	79,103	30,304	100.0	100.0	100.0
Individual	50,904	35,155	15,749	46.5	44.4	52.0
Individual + children	27,101	16,766	10,335	24.8	21.2	34.1
Couple	8,390	5,602	2,788	7.7	7.1	9.2
Couple + children	23,012	21,580	1,432	21.0	27.3	4.7
Average 2011						
Total	105,292	77,443	27,849	100.0	100.0	100.0
Individual	49,064	34,535	14,529	46.6	44.6	52.2
Individual + children	25,888	16,473	9,416	24.6	21.3	33.8
Couple	8,159	5,541	2,619	7.7	7.2	9.4
Couple + children	22,179	20,895	1,285	21.1	27.0	4.6

The data presented in Table 2 indicate two main developments: the decrease in the number of recipients of income support benefit following the cuts in 2003 occurred among single-parent families and couples with children, while the number of individuals receiving the benefit rose. These developments reflected the changes in the composition of the population of benefit recipients: the share of single-parent families out of all recipients dropped to 24.8% in 2010 (compared with 33.2% at the beginning of 2003)

Changes in the composition of the population of benefit recipients: the share of single-parent families dropped, while that of couples with children declined slightly. At the same time, the share of individuals rose significantly: from 36.5% to 46.6%

and continued to drop slowly in 2011 as well (to 24.6%) while the share of couples with children declined slightly: from 24.4% to 21%, and in 2011 stood at 21.1%.

At the same time, the ratio of individuals rose significantly, from 36.5% to 46.6%, while the relatively small ratio of childless couples rose moderately, from 5.9% to 7.7%. In other words, the data indicate a sharp drop in the percentage and number of recipient families with children from 2003 to mid-2005, and a subsequent moderate decline until 2011.

b. Grounds for eligibility

Table 3 presents the distribution of recipients of the income support benefit in 2005, 2007, and in 2009-2011, by grounds for eligibility for a benefit. Between 2003-2010, there was a steady increase in the percentage of persons lacking employment out of all benefit recipients, and a steady decrease in the percentage of mothers of small children and of persons who are at least 55 years old, who cannot be forced to accept employment. The data show that in 2011 the percentage of recipients whose eligibility was contingent upon an employment test dropped slightly, and constituted 79.9% of all recipients, as compared with 80.1% in 2010. Still, the majority of the recipients (around 80%) were required to undergo an employment test.

Over the years there was a decrease in the percentage of benefit recipients on the grounds of training and employment assessment: from 2.5% of all benefit recipients during the first half of 2005 to 0.9% in 2010. In 2011, however, this percentage returned to 1.1% of all benefit recipients.

c. Earnings of benefit recipients

Table 4, which presents working families by family composition and income level, shows that the downtrend in the number of recipients of an income support benefit – which had characterized the period from 2004 to 2008 – had been accompanied by a slight uptrend in the ratio of working families receiving it: from 25.5% to 28.6%. In 2009, this ratio dropped to 27.9% and rose again in 2010 to 28.4%, rising further in 2011 to 28.8%. The majority of the rise in the ratio of working families receiving income support occurred in 2006 and 2007, from 26.6% to 28.1% (although the **number** of working families decreased in those years).

The data on the wage levels show that in 2006 the percentage of families earning low wages (up to NIS 2,000) remained stable relative to 2005 (prior to the implementation of the “From Income Support to Self Sufficiency” program), and that since 2007 this percentage has been dropping. In 2011, the earnings from work of 58.6% of the families did not exceed NIS 2,000, compared with 65.3% in 2006. As noted, the share of working families in 2011 rose and is above its level in 2008, and the share of families earning up to NIS 2,000 decreased. In other words, a larger percentage of families receiving income support benefit also have earnings from work and their wage level has slightly improved,

The share of working families in 2011 rose and is above its level in 2008, and the share of families earning up to NIS 2,000 decreased. In other words, a larger percentage of families receiving income support benefit also have earnings from work and their wage level has slightly improved, but is still low

Table 3
Claimants of Income Support Benefit and their Spouses, by Grounds for Eligibility, 2007-2011

Grounds for eligibility	Average 2007		Average 2008		Average 2009		Average 2010		Average 2011	
	Numbers	%								
Total	154,427	100.0	143,640	100.0	143,553	100.0	140,808	100.0	135,631	100.0
Lacking employment *	93,817	60.8	90,970	63.4	93,381	65.1	94,222	66.9	88,615	65.3
Training or assessment	2,291	1.5	1,636	1.1	1,612	1.1	1,202	0.9	1,455	1.1
“From Welfare to Self Sufficiency”/“Prospects for Employment”	7,486	4.8	5,526	3.8	4,652	3.2				
Low wage	19,268	12.5	16,723	11.6	16,583	11.6	18,650	13.2	19,782	14.6
Addicts	3,788	2.5	3,619	2.5	3,502	2.4	3,447	2.4	3,321	2.4
Not assignable (over 55)	5,778	3.7	5,778	3.7	2,473	1.7	1,639	1.2	1,183	0.9
Mother/father	12,682	8.2	12,682	8.2	11,289	7.9	10,976	7.8	10,386	7.7
Other	9,318	6.0	9,318	6.0	10,067	7.0	10,672	7.6	10,888	8.0

* In 2010, those who were receiving benefits during the first four months of the year under the From Income Support to Self-Sufficiency program were added to those whose grounds were lacking employment

but is still low. Only 9.1% of the recipient **families** earned a wage that was higher than NIS 3,500 per month.

Pursuant to a legislative amendment, since 2007 recipients of income support benefit who are earning more than 25% of the average wage and who meet the criteria prescribed in the law may maintain a vehicle. In 2010, 570 families on average per month who earned more than 25% of the average wage and owned an appropriate vehicle received an income

Table 4
Recipients of Income Support Benefit (Families) who had Earnings From Work, by Family Composition and Income Level, 2005, 2008-2011

Family composition	Total		Income level (NIS)					
	Absolute numbers	% of all families	1-1,000	1,000-1,500	1,500-2,000	2,000-3,000	3,000-3,500	3,500+
January – July 2005								
Total	37,240	26.2	22.5	21.9	21.1	19.2	7.8	7.5
Individual	9,261	15.2	44.9	28.0	19.0	8.0	0.1	0.0
Individual+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
Average 2008								
Total	31,993	28.6	18.9	21.7	22.0	23.7	5.6	8.2
Individual	9,383	18.5	35.3	32.0	20.2	12.4	0.0	0.0
Individual+children	13,505	45.9	12.1	15.7	21.4	29.6	8.1	13.1
Couple	2,182	26.8	21.4	36.3	20.1	15.3	3.7	3.1
Couple + children	6,923	29.4	9.1	14.7	26.1	30.0	8.6	11.5
Average 2009								
Total	31,128	27.9	17.4	22.0	21.6	25.2	5.6	8.3
Individual	9,499	18.3	31.7	33.3	20.4	14.4	0.1	0.1
Individual+children	12,411	44.1	11.2	15.3	20.2	31.1	8.5	13.6
Couple	2,149	25.9	17.8	34.1	22.7	17.5	4.4	3.4
Couple + children	7,025	29.9	8.8	14.7	25.3	31.5	8.3	11.4
Average 2010								
Total	31,055	28.4	16.4	22.4	21.4	25.8	5.3	8.6
Individual	9,658	19.0	28.9	34.4	20.2	16.3	0.1	0.1
Individual+children	11,820	43.6	11.2	15.2	19.8	31.1	8.3	14.5
Couple	2,240	26.7	17.6	33.1	22.5	18.0	4.4	4.4
Couple + children	7,337	31.9	8.0	15.1	25.5	32.1	7.7	11.6
Average 2011								
Total	30,297	28.8	14.4	23.0	21.2	26.7	5.6	9.1
Individual	9,494	19.3	25.4	36.3	19.6	18.1	0.5	0.1
Individual+children	11,060	42.7	10.0	15.0	19.1	31.9	8.4	15.6
Couple	2,196	26.9	15.8	31.9	21.7	20.5	4.9	5.2
Couple + children	7,547	34.0	6.7	15.4	26.0	31.8	8.1	12.0

support benefit. Pursuant to the criteria defined in the law, 12 families continued to own a vehicle and to receive a benefit during the year after they were laid off. Furthermore, approximately 570 families maintained a vehicle for medical needs (including a vehicle for a disabled child).

Additional benefits for which families are eligible also constitute a source of income. In December 2011, a monthly average of 5.4% of the recipients of income support benefit were eligible for other benefits from the NII as well. The average income per family from NII benefits (excluding wage-replacing benefits, which are classified as earnings from work) was approximately NIS 1,700, and reached as high as NIS 6,400. About 700 families (0.7% of all recipient families) also had earnings from work, as well as additional NII benefits. The total income from both of these sources was about NIS 2,866 per family on average.

Another possible source of income is interest on financial assets, such as bank savings deposits. In December 2011, approximately 23,100 families, constituting 22.2% of all families receiving an income support benefit, had financial assets, with the average asset value per family being NIS 16,788. This sum is under the maximum value of financial assets that may be held without being deemed an asset that must be attributed to income, which would reduce the level of benefit. Only about 2,300 families, constituting 2.2% of all families receiving an income support benefit, owned an asset that caused their benefit to be reduced. The average financial assets per family which resulted in a reduction in benefit level was approximately NIS 44,000.

About 8,500 families had earnings from work as well as from financial assets. These families had income from work at an average of about NIS 2,060 and financial assets at the average value of about NIS 14,700, which is slightly under the general average.

Approximately 3,000 recipient families own real-estate assets, constituting 2.9% of all families receiving income support benefit. The average value of these real estate assets was NIS 103,200, but about half of the families own real-estate valued at under NIS 75,600. Among all families receiving an income support benefit, only 130 families had earnings from work, owned real estate and held a financial asset.

D. Payments

1. Level of benefit

The data in Table 5 show that the level of benefit dropped in 2011; in terms of the average wage, the level of benefit dropped by 4.7%, while in real prices, by 1.1%. The real drop in the benefits occurred because the benefits were updated in January 2011 by 2.3% (based on the rise in the Cost of Living Index during 2010, calculated by comparing November 2010 to November 2009), but the average Cost of Living Index for 2011 (compared to the average Cost of Living Index for 2010) rose some 3.5% and the average wage went up even more, by some 3.7%.

In terms of the average wage, the level of benefit dropped by 4.7%, and in real prices by 1.1%

Table 5
Monthly Income Support Benefit, at Fixed Prices and as a Percentage of the Average Wage,* 2006-2011

Year	Individual				Single parent with two children			Couple with two children		
	Regular rate		Increased rate		2010 prices (NIS)		Regular rate		Increased rate	
	2010 prices (NIS)	% of average wage	2010 prices (NIS)	% of average wage	2010 prices (NIS)	% of average wage	2010 prices (NIS)	% of average wage	2010 prices (NIS)	% of average wage
2006**	1,584	21.2	1,783	23.9	3,089	41.4	2,654	5.5	3,089	41.4
2006***	1,980	26.5	1,980	26.5	3,996	53.5	3,921	52.5	3,921	52.5
2007**	1,576	20.7	1,774	23.3	3,073	40.3	2,640	34.6	3,073	40.3
2007***	1,970	25.8	1,970	25.8	3,976	52.1	3,901	51.1	3,901	51.1
2008**	1,613	20.4	1,815	22.9	3,147	39.7	2,703	34.1	3,147	39.7
2008***	2,017	25.5	2,017	25.5	4,070	51.4	3,994	50.4	3,994	50.4
2009**	1,633	20.5	1,837	23.0	3,183	39.9	2,735	34.3	3,183	39.9
2009***	2,041	25.6	2,041	25.6	4,117	51.6	4,040	50.7	4,040	50.7
2010**	1,650	20.0	1,856	22.5	3,217	39.0	2,764	33.5	3,217	39.0
2010***	2,063	25.0	2,063	25.0	4,161	50.5	4,084	49.5	4,084	49.5
2011**	1,632	19.1	1,836	21.5	3,182	37.2	2,733	32.9	3,182	37.2
2011***	2,040	23.9	2,040	23.9	4,114	48.1	4,038	47.2	4,038	47.2

* As measured by the Central Bureau of Statistics.

** For an adult and members of his/her family under the age of 55.

*** At least one of the family members is over the age of 55.

The child allowance paid to families with children increases the level of income from the NII. Additionally, families with three and four children are eligible for an additional benefit, which is paid in conjunction with the child allowance and also increases income. Thus, for example, a single parent under the age of 55 with three children, who, under the Income Support Law, is eligible to receive 39% of the basic amount, which is 37.2% of the average wage, actually received 46.3% of the average wage, when the child allowance and the increment to families with three children are included.

2. Composition of benefit recipients by benefit level

Subsequent to the legislation enacted in 2002 and 2003 regarding the various levels of the benefit, the composition of benefit recipients was significantly revised according to three benefit levels. The percentage of families receiving a benefit at the regular rate rose from 36% in 2004 to 40.5% in 2011, the percentage of families receiving a benefit at an increased rate for those under the age of 55 (“previously eligible”) dropped from 22% to 6.3% in those same years, while the percentage of families receiving a benefit at an increased rate paid to those at least 55 years old rose from 21% to 30.3%. When examining the family compositions presented in Table 6, one can see that, over time, the percentage of individuals receiving a benefit at the regular rate is rising while the percentage of single-parent recipient families is falling, as expected from the data presented in the previous sections. The percentage of families receiving a benefit at an increased rate for those aged 55 and above has risen between 2005 and 2011.

Table 6
Recipients of an Income Support Benefit, by Family Composition and Benefit Level, 2006–2011

Family composition	Dec. 2006	Dec. 2007	Dec. 2008	Dec. 2009	Dec. 2010	Dec. 2011
Individual receiving regular rate	25.2	24.9	25.3	26.3	26.7	26.7
Individual receiving increased rate (under 55, “previously eligible”)	6.4	5.9	5.1	4.2	3.5	3.0
Individual receiving increased rate (55+)	14.3	16.0	16.9	17.7	18.2	18.7
Single parent (under 55)	24.1	23.3	22.7	21.5	21.4	21.1
Couple receiving increased rate (55+)	5.6	5.9	6.1	6.5	6.6	7.7
Couple with children receiving regular rate	11.5	11.6	12.1	12.8	13.3	13.8
Couple with children receiving increased rate (under 55, “previously eligible”)	6.7	5.9	5.1	4.3	3.7	3.3
Couple with children receiving increased rate (55+)	3.6	3.7	3.9	3.9	3.8	3.9
Other	2.7	2.7	2.8	2.8	2.8	1.8

3. Volume of payments

Although the benefits were updated in January, there was a drop in the scope of payments as a result of the decrease in the number of recipients and in the average benefit

The volume of payments of income support benefits totaled NIS 2.47 billion in 2011, constituting a decline of 5.4% compared with 2010. Although the benefits were updated in January, there was a drop in the scope of payments as a result of the decrease in the number of recipients and in the average benefit (a drop of 4.1% in the average benefit in 2011 compared to 2010).

Table 7
Volume of Payments of Income Support Benefits
(excluding administrative expenses), 2006-2011

Year	Current prices (NIS million)	2011 prices (NIS million)
2006	2,623	2,926
2007	2,419	2,685
2008	2,392	2,538
2009	2,482	2,549
2010	2,527	2,527
2011	2,474	2,474

E. Women Receiving Maintenance (Alimony) Payments

The Maintenance (Guarantee of Payment) Law guarantees a payment to divorced or separated women, common-law wives or women who remarried, in instances when the court awarded them maintenance payments but the debtors ordered to make the payments do not pay up. The amount of the payment is the sum specified in the court ruling or the sum prescribed in the Maintenance Law regulations, whichever is lower. When the maintenance payments awarded by court are higher than the payment prescribed in the regulations, the sum prescribed in the regulations is paid, subject to a means test. The rate of the maintenance payments prescribed in the regulations is equal to the rate of the income support benefit for single parent families. The NII is responsible for collecting the maintenance payments awarded by court ruling through execution proceedings instituted against the debtor. Therefore, a woman is eligible for maintenance payments from the NII only if she herself does not institute proceedings to enforce the court ruling, or if she discontinues such proceedings prior to submitting an application to the NII. If the NII collects a sum from the debtor that is higher than the sum the NII has paid to the woman, she is entitled to receive the difference.

The amendments to the means test instituted under the Income Support Law affected this population as well, and, between 2005 and 2009, a persistent downtrend was recorded in the number of women receiving maintenance payments from the NII – by approximately 4% each year until 2008. During the last three years, the decline has been more moderate, by 2.6% in 2009, 1.2% in 2010 and by 2.9% in 2011. During 2011,

maintenance payments were paid to 19,500 women on average per month. Furthermore, as indicated below, the number of women receiving both maintenance payments and an income support benefit has continued to decrease.

The demographic characteristics of the women who received maintenance payments in 2011 were similar to those in previous years: approximately 69% of the women were divorced, 14% were separated from their spouses but still married to them, 9% had remarried, and the remainder, about 8%, were common-law wives. It should be noted that a slight downtrend is evident in the ratio of divorcees to total recipients of maintenance payments – from 72.8% in 2005 to 68.7% in 2011. On the other hand, the ratio of unmarried women to total recipients has risen – from 5% in 2005 to 9% in 2011. In 2011, the majority of women who received maintenance payments (approximately 80%) have one or two children (compared with 63% among all families with children in the population), while only about 8% have four or more children (compared with 17% among all families with children in the population).

The percentage of women who received maintenance payments under a court ruling and the characteristics of their employment were affected by the legislative amendments in 2003, but remained unchanged between 2004 and 2011. Seventy-three percent of the women received maintenance payments pursuant to a court ruling, while the rest received maintenance payments pursuant to the regulations: 5% received the full rate specified in the regulations while about 22% received a reduced payment due to earnings from work.

The average amount paid to women was approximately 20% of the average wage in the economy (NIS 1,765 per month), but there was a significant gap between the amount received by women under a court ruling and the amount received under the regulations.

Table 10 shows that in 2011, the average amount paid under a court ruling was only 21% of the average wage, while under the regulations – 36% to women who were receiving the full rate and approximately 19% to women who were receiving a reduced rate. The table also shows the rise in maintenance payments as a percentage of the average wage – an increase that might be explained by the fact that maintenance payments (updated

In 2011, the average amount paid under a court ruling was only 21% of the average wage, while under the regulations – 36% to women who were receiving the full rate and 19% to women who were receiving a reduced rate

Table 8
Recipients of Maintenance Payments, by Marital Status
(absolute numbers and percentages), 2007-2011

Year	Total		Marital status			
	Absolute numbers	Percentages	Married to the debtor	Divorced	Remarried	Other
2007	21,771	100.0	13.8	72.1	8.2	5.9
2008	20,784	100.0	14.0	71.4	8.4	6.2
2009	20,253	100.0	13.7	70.6	8.7	7.0
2010	20,012	100.0	13.8	69.4	8.7	8.1
2011	19,438	100.0	13.7	68.7	8.7	8.9

in accordance with the Cost of Living Index) went up by more than the average wage, which has remained more or less the same over the past decade.

In 2011, approximately 46% of the women receiving maintenance payments were working (compared with 75% of all women in the population who are married with children), but their economic situation was poor. For most of them, the amount awarded by the court was so low that a means test was unnecessary (since a court ruling takes into account the woman's income from work). The average maintenance payment that working women received was 16% of the average wage in the economy. Even after adding their earnings from work to this sum, their aggregate income was less than half of the average wage in the economy – only 30% more than the maintenance payments received by women who received the full payment under the regulations.

These data show that the Maintenance Law per se does not guarantee a minimum income to all women who need it. Therefore, women to whom the courts have awarded low maintenance payments and who have no other income, or whose income from other sources is very low, are eligible for an income supplement from the NII under the Income Support Law, as long as they meet all other eligibility criteria for an income supplement under this law.

Table 9
Recipients of Maintenance Payments, by Type of Payment
(absolute numbers and percentages), 2007-2011

Year	Total		Type of Payment (%)		
	Absolute numbers	Percentages	Under regulations		By court rulings
			Full	Reduced	
2007	21,771	100.0	6.3	22.7	71.0
2008	20,784	100.0	6.2	23.5	70.3
2009	20,253	100.0	5.7	22.0	72.3
2010	20,012	100.0	4.9	21.6	73.5
2011	19,438	100.0	5.2	21.7	73.1

Table 10
Average Maintenance Payment, as a Percentage of the Average Wage
in the Economy, by Type of Payment and Work Status, 2007-2011

Year	Total	Type of Payment			Work status	
		Under regulations		By court rulings	Working	Not working
		Full	Reduced			
2007	19.1	35.0	17.2	18.3	15.2	22.6
2008	19.3	34.6	17.6	18.6	15.3	22.9
2009	20.3	36.2	18.6	19.6	16.2	23.8
2010	20.4	35.9	18.7	19.9	16.3	23.9
2011	20.6	35.8	18.8	20.1	16.5	24.2

Indeed, in 2011, an average of about 4,084 women who received monthly maintenance payments also received an income supplement under the Income Support Law, compared with 6,892 in 2006. In 2006, these women constituted approximately 30% of all women receiving maintenance payments, but by 2011, this percentage dropped to approximately 21%.

