

1. Income Support

In 2013, the number of families receiving an income support benefit rose by 0.6% and reached an average of 104.4 thousand per month, thereby altering the downward trend that began in 2003. As of the second quarter of 2003, when the number of families receiving a benefit reached a record of 159 thousand, a continuous decline began until 2009, when there was a stabilization compared to 2008. In 2010 there was a renewed decline, and in 2012 there were signs of moderation in the decline.

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A. Basic Elements of the Income Support Law in its 2003 Format

The Income Support Law in its current format retains, for the long term, two benefit rates – the regular rate and the increased rate – but de facto it sets three benefit levels for the transition period¹. The Law differentiates between entitled persons who are aged 55 or over² and persons who have not yet reached the age of 55. The benefit and the means tests for persons aged 55 or over have remained unchanged for all family compositions and these are entitled to a benefit at the increased rate (as prevailing up to January 2003), whether they are new enrollees or previously entitled persons³. The differentiation between new enrollees and previously entitled persons is only relevant to persons under age 55: all new enrollees and all persons previously entitled to the regular rate are paid a benefit at the regular (but reduced) rate and all persons previously entitled to the increased rate are paid a benefit at the reduced increased rate. The significance of these amendments is that over the years – on expiration of the transition period – all those under age 55 will be entitled to a benefit only at the reduced regular rate.

The following are the principal revisions to the Law from 2003 to 2013, inclusive:

- As of January 2003, the Employment Service is no longer permitted to classify a claimant for an income support benefit as either temporarily or permanently unplaceable. Anyone who is not required to report to the Employment Service is specified in the Income Support Law under its new format. The main amendment pertains to mothers of small children: before the legislative amendments, they were exempt from an employment test if their youngest child had not yet reached the age of 7. Subsequent to the amendments, they are exempt only until their child reaches the age of two. The situation of a widow with regard to the employment test was equated to the situation of a mother of small children: until January 2003, widows

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1. The changes in the benefit levels and the means test are presented in detail in the 2002-2003 Annual Survey of the National Insurance Institute.
 2. The rates of the income support benefit for recipients of old-age and survivors' pensions have remained unchanged. Persons entitled to allowances from the Work Injury branch will be entitled to a benefit at the same level as that of survivors' in the Old-age and Survivors' branch, irrespective of the age of the entitled person.
 3. A previously entitled person is someone who began receiving a benefit prior to 1.1.2013, including someone whose benefit payment was discontinued for a period not exceeding six months.

with children up to the age of 18 were exempt from reporting to the Employment Service, regardless of the age of the children. No change was made in the situation of women who are entitled to maintenance (alimony or child support) payments and these are exempt from an employment test under the new legislation as well.

- In 2004, the Law for Integration of Benefit Recipients in the Labor Market (temporary order) was approved and in August 2005, the responsibility for conducting the employment test in the pilot regions was transferred from the Employment Service to private employment centers. The participants in the program were income support benefit recipients under the entitlement grounds of lacking employment or low wages. In April 2010, the program was terminated and the responsibility for conducting the employment test was returned to the Employment Service.
- Since January 2007, the claimant's ownership of a vehicle does not deny the benefit payment outright (previously such ownership was permitted only in the case of special needs, such as medical needs), if the vehicle has an engine capacity up to 1300 cc and 7 years have elapsed since its year of manufacture, or up to 1600 cc and 12 years have elapsed since its year of manufacture. A vehicle owner is entitled to receive a benefit only if the benefit claimant (or his spouse) has income from work that is higher than 25% of the average wage (in the case of a retirement aged claimant – 17% of the average wage). The Law also pertains to persons who have been dismissed from work (see below for further changes to the legislation regarding vehicle ownership.)
- In 2007, concessions were instituted for retirement-age entitled persons (or their spouses) who travel abroad, thereby traveling abroad up to three times a year and for no more than 72 days does not deny a benefit. Traveling abroad a fourth time or deviating from the 72-day framework leads to denial of the entitlement for all the periods of absence from Israel during the same calendar year. Before the legislative change, traveling abroad two or more times during a calendar year denied entitlement.
- In July 2008, an additional amendment to the Law was adopted, whereby a single⁴ mother receives an income support benefit even if she is studying at a post-secondary institution or in a course whose duration exceeds 12 months. The amendment was designed to assist single mothers in acquiring an adequate education in order to become integrated in the job market or improving her work situation, to earn a higher wage or to escape from the cycle of unemployment. Under the amendment. a person fulfilling all the following conditions is entitled to the benefit: an individual mother entitled to an income support benefit; the benefit was paid for 16 out of the 20 months preceding the first month of her studies at the institution; the curriculum does not confer a master's or doctoral degree; the duration of payment for the period of studies does not exceed 36 months; for those lacking work – the classes are held in the evening.

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 4 This is worded below in the feminine gender, but the intent is also to single fathers (in the language of the Law – single parent).

- Pursuant to a decision of the HCJ in August 2012, the condition whereby ownership or regular use of a vehicle (that does not have an engine capacity or year of manufacture allowing receipt of a benefit) deny the right to an income support benefit was repealed, and an alternative arrangement was established whereby monthly income is imputed from a vehicle whose value does not exceed NIS 40,000. Owners of vehicles whose value exceeds this amount are not entitled to a benefit or to income supplement (excluding a medical purpose vehicle or a mobility vehicle). The income imputed reduces the benefit rate or the income supplement rate which is 3% of the vehicle value exceeding a vehicle value that is not taken into account. The vehicle value that is not taken into account is higher for a person who works (his income from work is higher than 25% of the average wage). Whoever owned a vehicle and received a benefit prior to the above legislative changes continues to be entitled to benefit under the new rules.
- In 2012, another important amendment was introduced into the Law, which pertains to the imputation of income from assets. Under the amendment, the value of income from an asset is calculated according to the type of asset (financial or real estate), taking into consideration its value and the rate of return according to the market conditions and an additional progressive imputed income increment as well as family composition and age of claimant. The rate of return for a financial asset is set according to the average short term loan rate for the last 12 months as published by the Bank of Israel. The return for real estate; agricultural land 0%, residential asset 3% and commercial asset 5%. The rate of the additional increment brackets, ranging between 1.5% and 5%, is detailed in the regulations. Moreover, an annual updating mechanism of the rate of return was prescribed, by which the value of the imputed income is to be calculated. The rate of return for 2013 was 2.7%. Payments under this amendment began in March 2013 and also included payments for the period September to December 2012. An additional change made to the Law in 2012 is payment of an income support benefit to women living in shelters for battered women. These women are entitled to a benefit under pre-defined conditions provided that they had received the benefit in the month preceding their stay in the shelter.

Pursuant to a decision of the HCJ in August 2012, the condition whereby ownership or regular use of a vehicle deny the right to an income support benefit was repealed

In 2012, another important amendment was introduced into the Law, which pertains to the imputation of income from assets

B. Recipients of the Income Support Benefit

1. Developments in the number of recipients

The period of June 2003 – December 2008 marks a continuous downward trend in the number of recipients of the income support benefit. This trend began with the implementation of the stringent legislation in June 2003 – when the benefit was denied to approximately 5,000 families and the obligation to pass an employment test as a condition to benefit entitlement was broadened to other populations. The continued trend stemmed from the ongoing effect of the reduction of the maximum income entitling to

a benefit and from the improvement in the employment situation in the economy during 2004– 2007 and until the second half of 2008. The operation of the employment centers as part of the “Wisconsin” plan in August 2005 and “Lights to Employment” in August 2007 accelerated the trend. In 2009, a turnaround occurred: 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, probably due to the situation in the economy during said year. As of 2010, the decrease in the number of benefit recipients resumed, a trend that presumably reflects the economic recovery. In 2012, signs of moderation began to be shown in this trend and, as stated, in 2013 there was an increase, which stemmed, inter alia, from the vehicle-related legislative changes for benefit recipients.

During 2010, 2011 and 2012, the average number of families receiving an income support benefit fell by 2.1%, 3.8% and 1.4% respectively

As stated, during 2010, 2011 and 2012, the average number of families receiving an income support benefit fell by 2.1%, 3.8% and 1.4% respectively (Table 1). The quarterly data (Graph 1) indicates that during the third and fourth quarter of 2012 there was a moderate increase in the average number of benefit recipients per month. The increase continued during the first quarter of 2013 and since then signs of a slow decline have begun to be shown. In total, there was an increase of 0.6% in the average number per month of families receiving an income support benefit in 2013, compared to 2012.

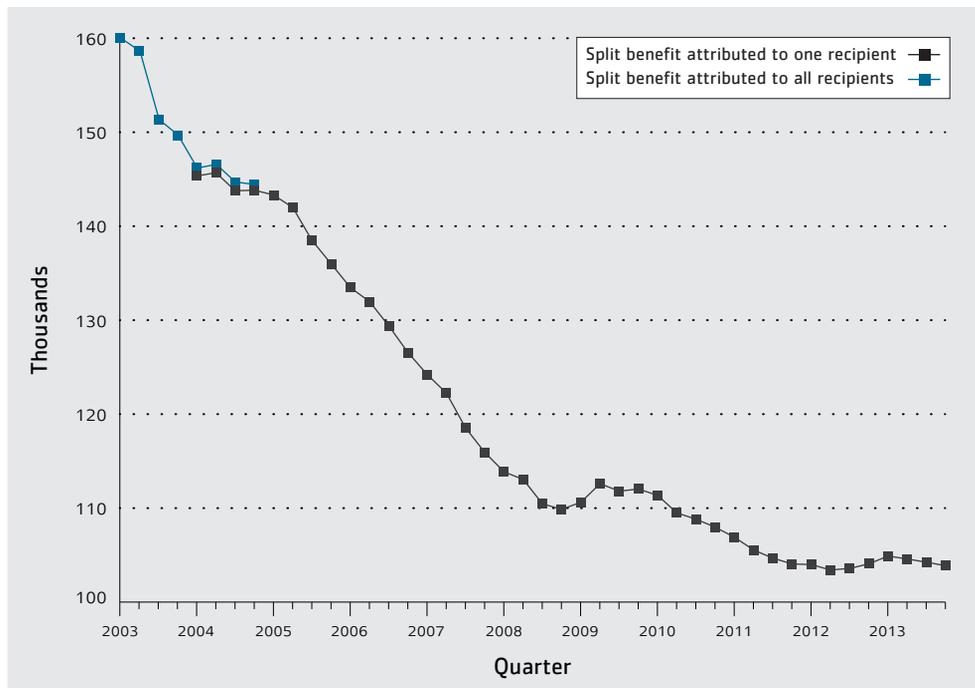
Table 1
Families who Received an Income Support Benefit
by Length of Residency* (monthly average), 2005–2013

Date	Total		Long-standing		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	-2.1	79,102	-0.5	30,304	-6.2
2011	105,292	-3.8	77,443	-2.1	27,849	-8.1
2012	103,766	-1.4	77,945	0.6	25,821	-7.3
2013	104,399	0.6	80,084	2.7	24,315	-5.8

* Length of residency is set according to the length of residency of the benefit recipient.

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

Graph 1
Families who Receive an Income Support Benefit
by Quarter (thousands), 2003-2013



* A benefit whose payment is distributed to several recipients from the same family.

Furthermore, in 2009, alongside the continuous but moderating decrease in the number of new immigrant families (by benefit claimant), the number of long-standing families (by benefit claimant) receiving a benefit rose for the first time since 2004. In 2010, the trend changed again; the number of long-standing families fell and signs of an accelerated decrease in the number of new immigrants compared to the previous year began to be shown. In 2011, the downward trend in the number of long-standing families and in the number of new immigrant families continued. While in 2010 the decrease in the number of new immigrant families constituted approximately 85% of the total decrease in the number of families receiving the benefit, in 2011 they contributed only 60% to the total decrease, i.e. the rate of decrease of the immigrant families slowed down. Therefore, the decrease in the number of families receiving a benefit in 2010 – 2011 mostly stemmed from a decrease in the number of new immigrant families receiving a benefit. By contrast, in 2012 and 2013, there was an increase in the number of long-standing families receiving a benefit (0.6% and 2.7% respectively). Accordingly, the downward trend in the average number of total families entitled to a benefit in 2012 stemmed from the decrease in the number of new immigrant families, and it is contingent on an increase in the number of long-standing families. The increase in the average number of families in 2013 stems from the increase in the long-standing families and this is contingent on a decrease in the number of new immigrant families.

2. Family composition and length of residency

The apparent decrease in the number of benefit recipients since mid-2003, when significant changes were made to the benefit level and to the conditions of entitlement thereto, was accompanied by a change in the family composition of the benefit recipients. The effect of the legislative changes pertaining to the benefit level, the means test and the employment test, which was also reflected in 2004 – 2007, was not uniform in scope among the different population groups. Beyond the effect of the legislative changes, not all the recipients may have faced more employment opportunities in the wake of the economic growth and these differences may have an effect on the composition of the population receiving an income support benefit. In order to illustrate the changes in the population composition, data for the beginning of 2003 (prior to the legislative changes), for 2008 (which encompasses full operation of the “Lights to Employment” program) and for 2010- 2013 are presented⁵.

The data presented in Table 2 indicates two principal developments: the decrease in the number of benefit recipients in the wake of the cutbacks made thereto in 2003 occurred among single-parent families and couples with children, whereas the number of individuals who received a benefit increased. These developments were reflected in changes in the population composition of the recipients:

- The proportion of single-parent families fell to 24.8% in 2010 (compared to 33.2% in the beginning of 2003) and continued to fall slowly also during the subsequent years. In 2013 it reached 24.2%.
- The proportion of couples with children diminished slightly – from 24.4% in 2003 to 21% in 2010 and to 21.1% in 2012. In 2013, their proportion rose to 21.5%.
- In parallel with the decrease in the number of families with children during 2003 – 2012, the proportion of individuals rose considerably, from 36.5% in 2003 to 46.4% in 2009 and continued to rise slowly to 46.7% in 2012. In 2013, with the rise in the rate of couples with children, the rate of individuals fell and reached 46.5%.
- The fairly small proportion of couples increased gradually from 5.9% in 2003 to 7.8% in 2012 and remained unchanged in 2013.

The data therefore indicates a sharp decrease in the rate and number of families with children from 2003 to mid-2005, a moderate decrease until 2012 and a slight increase in 2013 (from 45.5% to 45.7%, respectively) to their rates in 2011. As stated, in 2013 we see an increase in the rate of long-standing families and a continued decrease in that of new immigrant families. Among long-standing families, there is an increase in the rate of couples with children, whereas among new immigrant families there is an increase in the rate of individuals. These changes in the family compositions are reflected in a slight increase in the number of families with children among the total recipients.

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5 For a breakdown of the changes in the family composition of the benefit recipients during 2004 – 2007, see the 2008 Annual Survey of the National Insurance Institute.

The changes in the family compositions are reflected in a slight increase in the number of families with children among the total recipients

Table 2
Income Support Benefit Recipients by Family Composition and Length of Residency (numbers and percentages), 2003, 2010-2012

Family composition	Numbers			Percentages		
	Total	Long-standing	New immigrants	Total	Long-standing	New immigrants
January – March 2003						
Total	160,006	102,194	57,812	100.0	100.0	100.0
Individual alone	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 alone	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
2010 average						
Total	109,407	79,103	30,304	100.0	100.0	100.0
Individual alone	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 alone	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
2011 average						
Total	105,292	77,443	27,849	100.0	100.0	100.0
Individual alone	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 alone	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
2012 average						
Total	103,766	77,945	25,821	100	100	100
Individual alone	48,487	34,879	13,607	46.7	44.7	52.7
Individual + children	25,245	16,615	8,630	24.3	21.3	33.4
Couple alone	8,065	5,666	2,399	7.8	7.3	9.3
Couple + children	21,969	20,785	1,184	21.1	26.7	4.6
2013 average						
Total	104,399	80,084	24,314	100	100	100
Individual alone	48,595	35,736	12,858	46.5	44.6	52.9
Individual + children	25,216	17,091	8,125	24.2	21.3	33.4
Couple alone	8,129	5,909	2,220	7.8	7.4	9.1
Couple + children	22,459	21,348	1,111	21.5	26.7	4.6

3. Grounds for benefit entitlement

Further to the trends that were apparent in 2003, an increase was observed in the proportion of persons lacking work of the total recipients until 2010 and a renewed increase since 2012, a decrease in the proportion of mothers of small children until 2008 and a slow decrease since then (apart from 2013, when there was a slight increase to the 2012 level)

Table 3
Income Support Benefit Claimants and Their Spouses, by Grounds of Entitlement, 2009-2013

Grounds of entitlement	2009 average		2010 average		2011 average		2012 average		2013 average	
	Numbers	Percentages								
Total	143,553	100.0	140,808	100.0	135,631	100.0	133,800	100.0	134,528	100.0
Lacking employment	93,381	65.1	94,222	66.9	88,615	65.3	88,843	66.4	89,701	66.7
Undergoing training or assessment	1,612	1.1	1,202	0.9	1,455	1.1	984	0.7	505	0.4
“Wisconsin” / “Lights to Employment”	4,652	3.2								
Low wage	16,583	11.6	18,650	13.2	19,782	14.6	17,952	13.4	17,340	12.9
Addicts	3,502	2.4	3,447	2.4	3,321	2.4	3,182	2.4	3,153	2.3
Unplaceable (aged 55+)	2,473	1.7	1,639	1.2	1,183	0.9	765	0.6	260	0.2
Mother of small children	11,289	7.9	10,976	7.8	10,386	7.7	10,221	7.6	10,394	7.7
Other	10,067	7.0	10,672	7.6	10,888	8.0	11,853	8.9	13,175	9.8

* In 2010, the recipients who received on the grounds of “Wisconsin” during the first four months of the year were added to the grounds of lacking employment.

and a decrease in the proportion of unplaceable persons aged 55 or over (Table 3). The data indicates that from 2011 to 2013 the average rate of recipients on grounds requiring employment testing (lacking employment and low wage) fell slightly and was 79.6% of the total recipients in 2013, compared to 80.1% in 2010. Nonetheless, most of the benefit recipients, approximately 80%, were required to take an employment test.

In addition to these prominent trends, we have also witnessed a decrease in the rate of benefit recipients on the grounds of training and vocational assessment up to 2010, from 2.5% during the first half of 2005 to 0.9% in 2010. In 2011, their rates reverted to that of 2009 – 1.1% of the total recipients – and again fell in 2012. In 2013, their proportion of total recipients was 0.4%.

4. Income of benefit recipients

The decline that characterized the number of benefit recipients during 2004 to 2008 was accompanied by an increase in the rate of working families, from 25.5% to 28.6% (Table 4). In 2009, their rate fell and rose again in 2010 – 2011. In 2012, their rate fell again and reached 26.8% in 2013. Most of the increase occurred between 2006 and 2007, from 26.6% to 28.1% (although the number of working families fell). The wage level data shows that in 2006 the proportion of low wage earning families (up to NIS 2,000), remained stable compared to 2005 (prior to application of the “Wisconsin” plan) and since 2007 it has been on a downward trend.

As stated, the rate of working families in 2013 fell and reached a level similar to that which prevailed in 2006. Compared with 2012, there was a decline in the rate of employed persons in all the family compositions and the rate of families earning up to NIS 2,000 fell (Table 5). In other words, a smaller proportion of families who receive a benefit had income from work, but the wage level improved slightly, even though it was still low. Only 10.5% of all the families had a wage higher than NIS 3,500 per month. It should be mentioned that a considerable proportion of persons entitled to a benefit leave the income support system at this income level.

The rate of working families in 2013 fell and reached a level similar to that which prevailed in 2006

Under an amendment to the Law of August 2012, owners of vehicles worth up to NIS 40,000 (see section 1A above) can receive an income support benefit. At the beginning of 2012, prior to application of the law, there were some 630 income support recipients who were in possession of a vehicle, another 700 families were in possession of a vehicle due to medical needs (including a vehicle for a disabled child and mobility) and 35 families were in possession of a vehicle for a limited transition period, such as dismissal. At the end of the year, in December 2012, about 2,600 families were in possession of a vehicle. 830 were in possession of a medical purpose vehicle and 40 for a limited transition period. In December 2013, approximately 5,600 families were in possession of a vehicle; another 900 were in possession of a medical purpose vehicle and 30 for a limited transition period. Notwithstanding the increase in the number and percentage

of benefit recipients in possession of a vehicle other than for medical purposes, the rate of change in their number is steadily declining (Graph 2). In other words, the increase in the number of these families peaked during the initial months subsequent to the change and thereafter the rate of increase in their number slowed down.

Of all the families (some 6,500) who had a vehicle at their disposal in December 2013, about 40% received an income support benefit also prior to the amendment to the Law (received a benefit in January or February 2012). 4.5% did not receive a benefit during

Table 4
Rate of Families with Work Income, by Family Composition,
2005, 2010-2013

Family composition	Total	
	Absolute numbers	Rate of all families
		January – July 2005
Total	37,240	26.2
Individual alone	9,261	15.2
Individual + children	17,313	43.7
Couple alone	2,327	25.1
Couple + children	8,340	25.7
		2010 average
Total	31,055	28.4
Individual without children	9,658	19.0
Individual + children	11,820	43.6
Couple without children	2,240	26.7
Couple + children	7,337	31.9
		2011 average
Total	30,297	28.8
Individual without children	9,494	19.3
Individual + children	11,060	42.7
Couple without children	2,196	26.9
Couple + children	7,547	34.0
		2012 average
Total	28,971	27.9
Individual without children	9,228	19.0
Individual + children	10,386	41.1
Couple without children	2,079	25.8
Couple + children	7,279	33.1
		2013 average
Total	27,957	26.8
Individual without children	8,926	18.4
Individual + children	9,919	39.3
Couple without children	1,984	24.4
Couple + children	7,128	31.7

the two months prior to the amendment and were owners of a medical purpose vehicle. Furthermore, 5.5% began to receive a benefit subsequent to the change, but initially they received a benefit and they did not have a vehicle at their disposal and only later did they begin to be in possession of a vehicle (360 families). In other words, 55.5% of the families that had a vehicle at their disposal in December 2013 began to receive a benefit subsequent to the amendment to the Law and were in possession of a vehicle other than for medical purposes (including a vehicle for short transition periods), although about 10% of them enrolled in the system prior to having a vehicle at their disposal.

55.5% of the families that had a vehicle at their disposal in December 2013 began to receive a benefit subsequent to the amendment to the Law

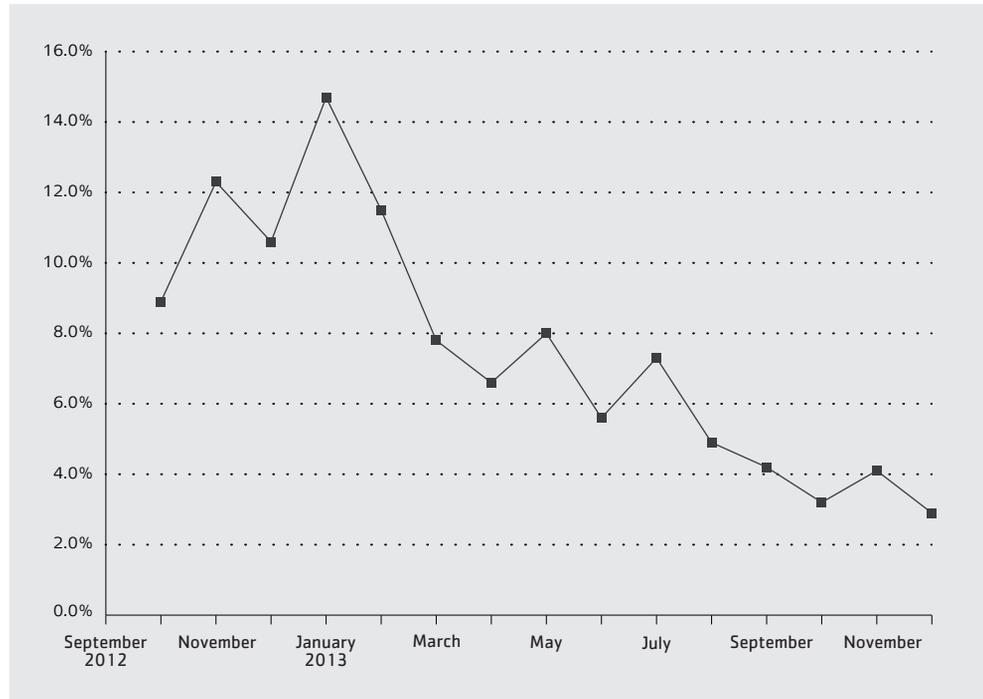
Additional benefits that are paid to families also constitute a source of income and are taken into account for the purpose of means testing. An average of 4.6% of the families per month were entitled to additional benefits from the NII in 2013, compared to 5.7% in 2012. The average monthly income per family from NII benefits (excluding wage-replacing benefits that are calculated from work income) was NIS 1,740 (compared to 1,709 in 2012) and reached as high as NIS 7,048. 9,410 families (9% of the families) had income both from work and from additional NII benefits. The average total income from both these sources per family was NIS 3,062.

Another possible source of income is imputed return on financial assets, such as bank savings deposits. In 2013, only about 2,400 families, which constitute 2.3% of all the families, owned a financial asset whose value resulted in a reduction of their benefit. The average imputed income for a family whose benefit was reduced was NIS 139. Some 700 families had income from work and imputed income from financial assets. These families had an average work income of NIS 2,041 and the average amount of imputed income from financial assets was NIS 116, slightly lower than the general average.

Table 5
Work Income Level of Families who Receive an Income Support Benefit,
by Family Composition, 2012-2013

Family composition	Income level (NIS)					
	1 – 1,000	1,000 – 1,500	1,500 – 2,000	2,000 – 3,000	3,000 – 3,500	3,500 +
2012 average						
Total	13.1	22.5	20.0	28.8	5.9	9.7
Individual alone	21.6	36.6	20.2	20.6	0.9	0.1
Individual + children	9.9	14.0	17.2	33.2	9.0	16.8
Couple alone	14.6	29.1	22.5	22.6	5.1	6.2
Couple + children	6.4	15.0	23.1	34.7	8.0	12.7
2013 average						
Total	12.3	21.8	18.9	30.4	6.1	10.5
Individual alone	19.7	35.9	20.5	22.5	1.3	0.1
Individual + children	9.4	13.9	15.9	34.0	9.0	17.8
Couple alone	12.6	27.5	21.6	24.8	5.6	7.9
Couple + children	6.8	13.8	20.5	36.9	8.2	13.8

Graph 2
The Rate of Change in the Number of Families Receiving an Income Support Benefit who are in Possession of a Vehicle Other than for Medical Purposes, 2012-2013



Income is imputed from real estate in the same manner as income is imputed from financial assets. In 2013, the number of families that owned immovable property was 2,700, which constitute 2.6% of all the families receiving a benefit and the average income imputed to real estate was NIS 335. Only 10 families had imputed income from real estate and from a financial asset and also income from work.

5. Composition of benefit recipients by benefit level

Pursuant to the legislation introduced in 2002-2003 with regard to the various benefit levels, the composition of benefit recipients by the three benefit levels changed substantially. The rate of families receiving a benefit at the regular rate rose from 36% in 2004 to 41.9% in 2013, the rate of families receiving at an increased rate for those under the age of 55 (“previously entitled persons”) fell from 22% to 5% and the rate of families receiving at an increased rate for those aged 55 or over rose from 21% to 30.3% in 2011 and fell to 29.2% in 2012 and remained so also in 2013 (Table 6). An analysis of the benefit rates by family composition reveals that the rate of individuals receiving a benefit at a regular rate rose up to 2012 and fell in 2013, and alternatively the rate of single-parent families fell up to 2012 and rose in 2013. The proportion of families receiving a benefit at an increased rate for those aged 55 or over rose from 2005 to 2011 and in the

The proportion of families receiving a benefit at an increased rate for those aged 55 or over rose from 2005 to 2011 and in the last two years it stabilized at a lower rate

Table 6
Recipients of Income Support Benefit by Family Composition
and Benefit Rate (percentages), 2009-2013

Family composition	December 2009	December 2010	December 2011	December 2012	December 2013
Individual receiving regular rate	26.3	26.7	26.7	27.0	26.5
Individual receiving increased rate (for those aged 55 or under, “previously entitled persons”)	4.2	3.5	3.0	2.7	2.5
Individual receiving increased rate (aged 55+)	17.7	18.2	18.7	18.7	18.7
Single mother* (aged 55 or under)	21.5	21.4	21.1	20.8	20.9
Couple receiving increased rate (aged 55+)	6.5	6.6	7.7	6.7	6.7
Couple with children receiving regular rate	12.8	13.3	13.8	14.5	15.4
Couple with children receiving increased rate (for those aged 55 or under, “previously entitled persons”)	4.3	3.7	3.3	2.9	2.5
Couple with children receiving increased rate (aged 55+)	3.9	3.8	3.9	3.8	3.8
Other	2.8	2.8	1.8	2.9	3.0

* See Note 4 in this chapter.

last two years it stabilized at a lower rate, primarily as a result of the decrease in couples without children who are aged 55 or over.

C. Payments

1. Benefit level

In 2013, the benefit level remained almost unchanged in real prices (a decrease of 0.1%), but in terms of average wage it fell by approximately 0.9% (Table 7). The decrease in real terms stems from the fact that the benefits were updated in January by 1.4% (based on the increase in the price index during 2012: November 2012 compared with November 2011), whereas the average price index for 2013 (compared with the average price index of 2012) rose by approximately 1.5%. The decrease in the benefit in terms of average wage stems from an increase of 2.3% in the average wage compared to 1.4% – the benefit update rate.

The child allowance paid to families with children increases the level of their income from the NII. Furthermore, families that have 3 and 4 children are entitled to an

In 2013, the benefit level remained almost unchanged in real prices (a decrease of 0.1%), but in terms of average wage it fell by approximately 0.9%

additional allowance, paid in conjunction with the child allowance, which also increases the family income. Thus, for instance, a single parent under age 55 with three children, who under the Income Support Law should receive 39% of the “basic amount” (which constitutes 36.8% of the average wage), actually received 44.6% of the average wage together with the child allowance and increment for families with 3 children.

2. Volume of payments

The income support benefit payments reached NIS 2.58 billion in 2013 – a real increase of 2.1% compared to the previous year (Table 8). This increase stemmed from the increase in the number of recipients (0.6%), from the increase in the average benefit (0.4%) and from retroactive payments in respect of the legislative amendments regarding vehicles and assets (as a percentage of the payments).

The income support benefit payments reached NIS 2.58 billion in 2013

Table 7
The Income Support Benefit at Fixed Prices and as a Percentage of the Average Wage*, by Family Composition, 2009-2013

Year	Individual				Single mother** with two children		Couple with two children			
	Regular rate		Increased rate		2013 prices (NIS)	Percentage of the average wage	Regular rate		Increased rate	
	2013 prices (NIS)	Percentage of the average wage	2013 prices (NIS)	Percentage of the average wage			2013 prices (NIS)	Percentage of the average wage	2013 prices (NIS)	Percentage of the average wage
Adult family members are under the age of 55										
2009	1,686	19.3	1,897	21.7	3,287	37.6	2,824	32.3	3,287	37.6
2010	1,704	19.3	1,916	21.8	3,322	37.7	2,854	32.4	3,322	37.7
2011	1,685	19.1	1,896	21.4	3,286	37.2	2,822	31.9	3,286	37.2
2012	1,700	19.1	1,912	21.4	3,314	37.2	2,847	31.9	3,314	37.2
2013	1,697	18.9	1,910	21.3	3,310	36.8	2,843	31.6	3,310	36.8
At least one family member is over the age of 55										
2009	2,107	24.1	2,107	24.1	4,251	48.6	4,172	47.7	4,172	47.7
2010	2,130	24.2	2,130	24.2	4,296	48.8	4,217	47.9	4,217	47.9
2011	2,106	23.8	2,106	23.8	4,248	48.0	4,170	47.2	4,170	47.2
2012	2,125	23.8	2,125	23.8	4,285	48.1	4,206	47.2	4,206	47.2
2013	2,122	23.6	2,122	23.6	4,296	47.8	4,201	46.7	4,201	46.7

* As measured by the Central Bureau of Statistics.

** See Note 4 in this chapter.

Table 8
Income Support Benefit Payments
(excluding administrative expenses, NIS million), 2009- 2012

Year	Current prices	2013 prices
2009	2,482	2,723
2010	2,527	2,699
2011	2,477	2,558
2012	2,493	2,531
2013	2,583	2,583