

9. Vocational Rehabilitation

A. General

The Rehabilitation Department of the National Insurance Institute assists entitled persons who have been ejected from the job market or who lack employment experience to integrate into work suitable to their professional skills and their functional ability, through vocational training and job placement. The rehabilitation officers, who are trained social workers, provide such assistance through assessment services, employment counseling and guidance throughout the rehabilitation process.

Most of the services rendered in the framework of the rehabilitation are in-kind services: assessment, direction and counseling in choosing a vocation, pre-training and vocational training, supplementary education and higher education studies and assistance with job placement for whoever finds it difficult to integrate into the job market on their own. Furthermore, whoever participates in a rehabilitation process is entitled to funding of the related expenses, which includes assessment and studies and the travel costs to and from the place of training, according to the provisions of the law, as well as a rehabilitation allowance.

The population processed by the Department is divided into three groups¹: new rehabilitation applicants, participants undergoing a process of rehabilitation and those who have completed a rehabilitation program. Substantial efforts are invested in identifying the suitable population from among the entitled persons, so as to maximize the rate of those who are integrated into the job market by the end of the process.

Besides vocational rehabilitation, the Rehabilitation Department hands down professional opinions to the Benefits Administration on various issues, such as establishing the degree of earning capacity for disabled persons, the designation of a benefit recipient, etc. Furthermore, the Rehabilitation Department employees assist work-injured persons and hostile action victims in taking up the cash benefits to which they are entitled, as well as caring for widows and hostile action victims² in times of crisis.

B. Who is Entitled to Vocational Rehabilitation?³

- **Generally disabled persons** – an Israeli resident who suffers from a physical, cognitive or psychological impairment, if he meets all the following conditions: (1) he has established medical disability percentages at a level of at least 20% according to disability criteria; (2) due to the impairment, he can no longer engage in his previous work

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1 A person being rehabilitated may belong to more than one group during the course of the year.
 2 The processing of hostile action victims includes ongoing support and guidance throughout their lives.
 3 Aside from what is detailed here, the entitlement to vocational rehabilitation is contingent on the claimant being below retirement age.

or in other suitable work; (3) as a result of the impairment, he requires and is suitable for vocational training and for additional rehabilitation services that will enable him to return to his previous work or to other suitable work. Also, a spouse of a disabled person (resides with him on a permanent basis), who due to the impairment cannot himself be rehabilitated, is entitled to rehabilitation.

- **Work injured persons** – whoever was injured at work⁴ and has an established medical disability of at least 10% and who due to the injury cannot engage in his previous work or in other suitable work and who requires special vocational training so as to be able to return to his previous work. Nonetheless, the NII may approve vocational rehabilitation for a work injured person whose degree of disability is lower than 10%, if his continued work at his previous job is liable to excessively endanger his health or safety.
- **Widowers / widows** – a widower / widow as construed under the law who receives a survivors' pension or dependents' pension and who satisfies all the following conditions: (1) He does not have a vocation or cannot earn a living from his vocation; (2) he cannot continue working at his previous workplace due to his being widowed; (3) the rehabilitation worker has determined that he is suitable for vocational training / retraining, subject to his medical condition and to his education.
- **Hostile action victims** – a victim of a hostile action⁵, provided that he has an established medical disability⁶ of at least 20% and due to the injury he cannot engage in his previous work or in other suitable work, or he requires special vocational training so as to be able to return to his previous work. Also bereaved family members, as defined by law (widower / widow, orphan and bereaved parents) whose relative died as a result of a hostile action are entitled to vocational rehabilitation.

C. Vocational Rehabilitation Applicants

In 2013 9,786 people applied to the NII in order to undergo vocational rehabilitation – 4% more than in 2012. Most of the growth stems from an increase in the number of applications from generally disabled persons in the young age group (18-29). As with every year, this year too a majority (83%) of the applicants belong to the General

4 A work injury is a work accident that occurs during and due to work, including an accident that occurs en route to and from work, or an occupational disease, pursuant to the list of diseases defined under the Work Injury Regulations.

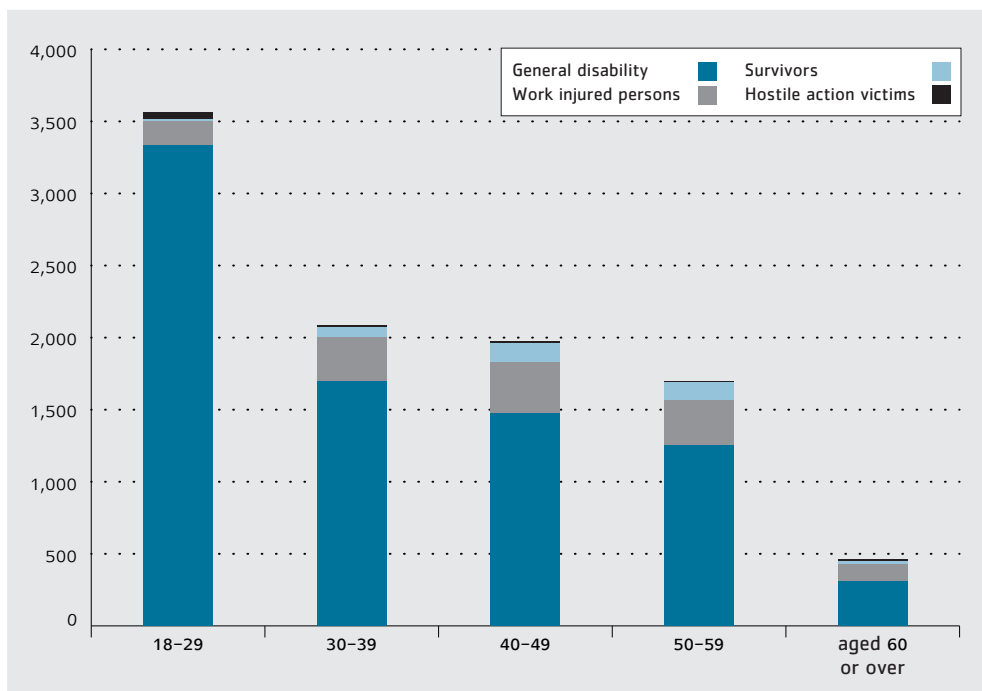
5 A hostile action victim is someone who was injured from an action of military / paramilitary forces / irregular forces of a country or organization that are hostile toward Israel or from an action committed in the aid of one of the above, by agency or on their behalf, and which were directed against Israel.

6 A hostile action victim who was injured prior to 1996 is entitled to vocational rehabilitation if he has an established medical disability of 10% or more.

Disability branch and 61% receive a monthly benefit from one of the various benefit branches of the NII.

Young people in their twenties have the highest potential for rehabilitation, since the training or higher education will considerably further their prospects of becoming integrated in the job market, and therefore it is not surprising that 36% of the rehabilitation applicants are of these ages (Graph 1). In addition, the younger the age, the higher the rate of rehabilitated persons from the General Disability branch. Since this group includes congenitally disabled persons who apply for rehabilitation in order to exercise their rights on reaching the age of 18. In the older ages the proportion of work injured persons and widowers / widows increases.

Graph 1
Vocational Rehabilitation Applicants by Age and Branch, 2013



One of the most influential factors for the success of the rehabilitation is the internal motivation of the rehabilitees. It is reasonable to assume that someone who applies on his own initiative would have high motivation for success of the process. For 74% of the rehabilitation applicants in 2013 this was the first application and 80% of them applied on their own initiative. Only in 15% of the cases did the rehabilitation officers initiate the application for the insured – usually for generally disabled persons or for survivors who had never before applied for rehabilitation assistance (Table 1).

Table 1
Vocational Rehabilitation Applicants By Branch, Application Number
and Initiator of the Application (Absolute Numbers and Percentages), 2013

| Application number | Initiator of the application | Total | | General disability | Work injury | Survivors | Hostile action victims |
|--------------------|------------------------------|------------------|-------------|--------------------|-------------|-----------|------------------------|
| | | Absolute numbers | Percentages | | | | |
| Total | Numbers | 9,786 | | 8,081 | 1,262 | 359 | 84 |
| | Percentages | | 100% | 100% | 100% | 100% | 100% |
| First application | Total | 7,236 | 74% | 73% | 80% | 78% | 70% |
| | Applicant | 5,763 | 59% | 56% | 74% | 64% | 62% |
| | NII officers | 1,184 | 12% | 13% | 5% | 11% | 7% |
| | Community entity | 289 | 3% | 3% | 1% | 3% | 1% |
| Re-application | Total | 2,550 | 26% | 27% | 20% | 22% | 30% |
| | Applicant | 2,194 | 22% | 23% | 18% | 19% | 26% |
| | NII officers | 193 | 2% | 2% | 1% | 2% | 4% |
| | Community entity | 163 | 2% | 2% | 0% | 1% | . |

D. Those in The Process of Rehabilitation

The core activity of the Rehabilitation Department is helping insureds integrate into the job market. There are several stages to the rehabilitation process, during which the suitability of the applicant for rehabilitation is evaluated and a program is matched to him that best suits his needs, desires and abilities, according to the professional opinion of the rehabilitation employees. The most prominent stages in the process are as follows:

- **Employment assessment** – ascertaining the work skills of the insured, including vocational counseling and guidance by the rehabilitation officers, assessment institutes or rehabilitation centers. The assessment is performed according to the abilities of the insured and the opinion of the rehabilitation officer.
- **Pre-vocational training** – instilling work habits by rehabilitation centers, empowerment courses, supplementary education (matriculation exams, psychometric exams, preparatory programs, etc.), according to the employment assessment findings and as a preparation for integration into vocational training or the job market.
- **Vocational training** – training for individuals with employment skills suitable to studies, through which they acquire a vocation that will help them integrate into the job market: studies at institutions of higher education (universities and colleges), schools of engineering or vocational courses (such as, technician, secretarial, bookkeeping and cooking).
- **Job placement** – the employees help professional insureds or whoever has completed vocational training to seek work suitable to their abilities and to the vocation acquired, while guiding and monitoring their integration into the workplace.

Table 2
Vocational Rehabilitation Programs and Participants by the Branch to which they Belong and Type of Program (Absolute Numbers and Percentages), 2013

| Type of program | | Total | General disability | Work injury | Survivors | Hostile action victims | |
|------------------------------|---------------------------------|--------|--------------------|-------------|-----------|------------------------|----|
| Total programs | Absolute numbers | 48,458 | 41,840 | 6,288 | 2,362 | 1,228 | |
| | Percentages | 100% | 81% | 12% | 5% | 2% | |
| Program assessment | Total | 21,683 | 100% | 80% | 14% | 4% | 2% |
| | Internal entitlement assessment | 9,321 | 100% | 82% | 13% | 4% | 1% |
| | Internal program assessment | 7,391 | 100% | 80% | 13% | 5% | 2% |
| | Outside assessment | 4,971 | 100% | 74% | 19% | 4% | 2% |
| Pre-training | Total | 3,813 | 100% | 78% | 13% | 7% | 3% |
| | Supplementary education | 2,656 | 100% | 77% | 14% | 7% | 2% |
| Vocational training | Instilling work habits | 1,157 | 100% | 79% | 12% | 6% | 4% |
| | Total | 7,680 | 100% | 82% | 10% | 5% | 4% |
| | Professional course | 2,986 | 100% | 71% | 16% | 11% | 2% |
| | Higher education | 4,694 | 100% | 85% | 7% | 2% | 5% |
| Job placement assistance | | 3,100 | 100% | 83% | 11% | 5% | 1% |
| Creating academic conditions | | 1,422 | 100% | 90% | 8% | 2% | 1% |
| “Hameshakem” work referral | | 463 | 100% | 96% | 3% | 0% | 0% |
| Monitoring and maintenance | | 10,297 | 100% | 81% | 11% | 6% | 2% |
| Total participants | Absolute numbers | 22,636 | 17,958 | 2,995 | 1,006 | 677 | |
| | Percentages | 100% | 79% | 13% | 4% | 3% | |

Participants in the rehabilitation process are those who have commenced a rehabilitation program this year or those who have not yet completed rehabilitation commenced previously. In 2013 approximately 22 thousand insureds participated in about 48 thousand different rehabilitation assessments and programs (Table 2). On average, each participant participates in two programs, one of which is a program assessment. 4,661 programs were held by rehabilitation service providers, 84% of them at the Foundation for Rehabilitation Enterprises.

The State of Israel is one of the leading countries in the Western world in its rate of academics; this phenomenon does not pass over the participants of the rehabilitation programs. Approximately 61% of the vocational training program participants have been referred to academic studies. Moreover, it is interesting to observe the developing rate of higher education programs over the years (Graph 2). From 2005 and until today the rate of higher education programs has doubled – apart from the natural growth in the number of higher education programs, the decrease in the number of vocational training programs also has an effect on the growth rate of these programs.

Graph 2
Higher Education Programs and Proportion of all Vocational Training Programs
(Absolute Numbers and Percentages), 2005-2013

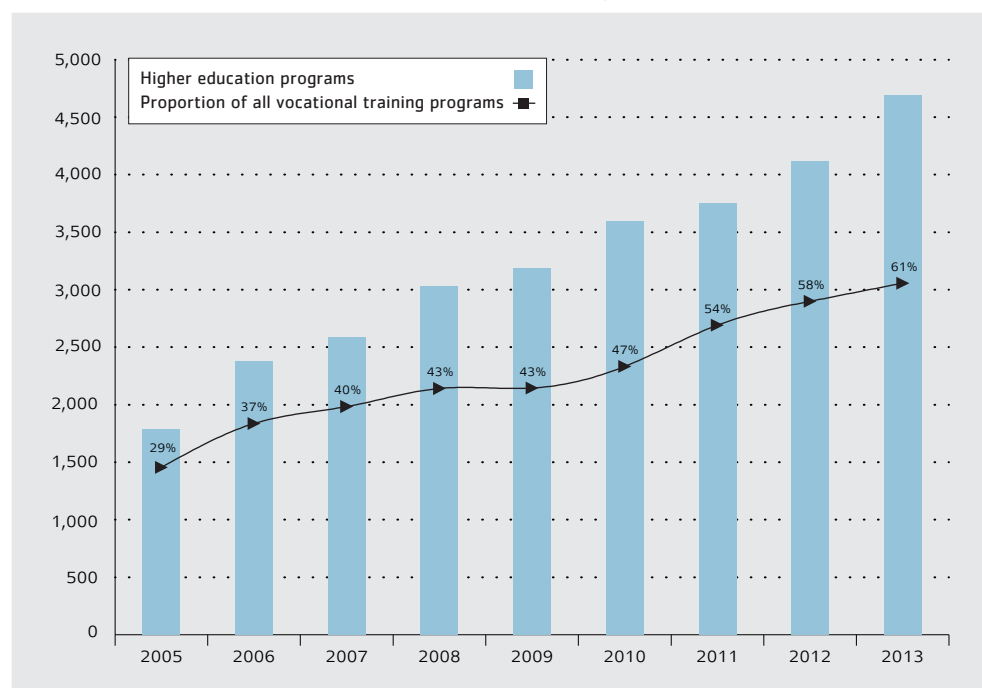


Table 3
Vocational Rehabilitation Program Participants by Medical Disability Percentages
and Primary Impairment (Absolute Numbers and Percentages), 2013

| Primary impairment | Total | | Medical disability percentage | | | | | |
|------------------------------|--------------------|---------------|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| | Absolute numbers | Percentages | None* | 10-19 | 20-39 | 40-59 | 60-79 | 80-100 |
| Total | Numbers | 22,636 | 1,342 | 1,460 | 4,664 | 8,169 | 3,941 | 3,060 |
| | Percentages | | 100% | 100% | 100% | 100% | 100% | 100% |
| Psychological or retardation | 6,027 | 27% | | 14% | 28% | 45% | 18% | 5% |
| Internal | 4,505 | 20% | | 10% | 21% | 21% | 25% | 24% |
| Urogenital | 611 | 3% | | 2% | 2% | 2% | 4% | 6% |
| Neurological | 2,907 | 13% | | 7% | 10% | 11% | 18% | 25% |
| Locomotor | 4,341 | 19% | | 61% | 26% | 14% | 17% | 13% |
| Visual | 1,072 | 5% | | 1% | 2% | 2% | 4% | 20% |
| Hearing | 995 | 4% | | 3% | 3% | 2% | 12% | 5% |
| Other** | 2,178 | 10% | 100% | 2% | 8% | 3% | 3% | 2% |

* The entitlement to rehabilitation in the Hostile Action and Survivor branches is not necessarily a consequence of the medical condition of the rehabilitee.

** This category also includes rehabilitees who have no impairment.

Table 3 presents the distribution of participants according to the primary impairment⁷ and their medical disability rates. It is reasonable to assume that those with low medical disability percentages are more independent and can integrate into the job market on their own. The higher the medical disability, the lower the probability of finding a job in the open market. It is therefore not surprising that 36% of rehabilitation process participants in 2013 have 40-59 medical disability percentages; in terms of disability rates, this population has the highest potential for rehabilitation among all disabled persons. Among

rehabilitees who have lower medical disability rates (10% - 19%), the proportion of those suffering from locomotor problems is prominent and among those who have higher disability rates there is a large proportion of persons suffering from internal and neurological problems. 65% of those suffering from locomotor problems belong to the Work Injury branch.

E. Persons who Completed Rehabilitative Care

The success of the vocational rehabilitation depends on the motivation of the rehabilitation applicants, so that if the rehabilitee shows no interest, job market integration is impossible for him.

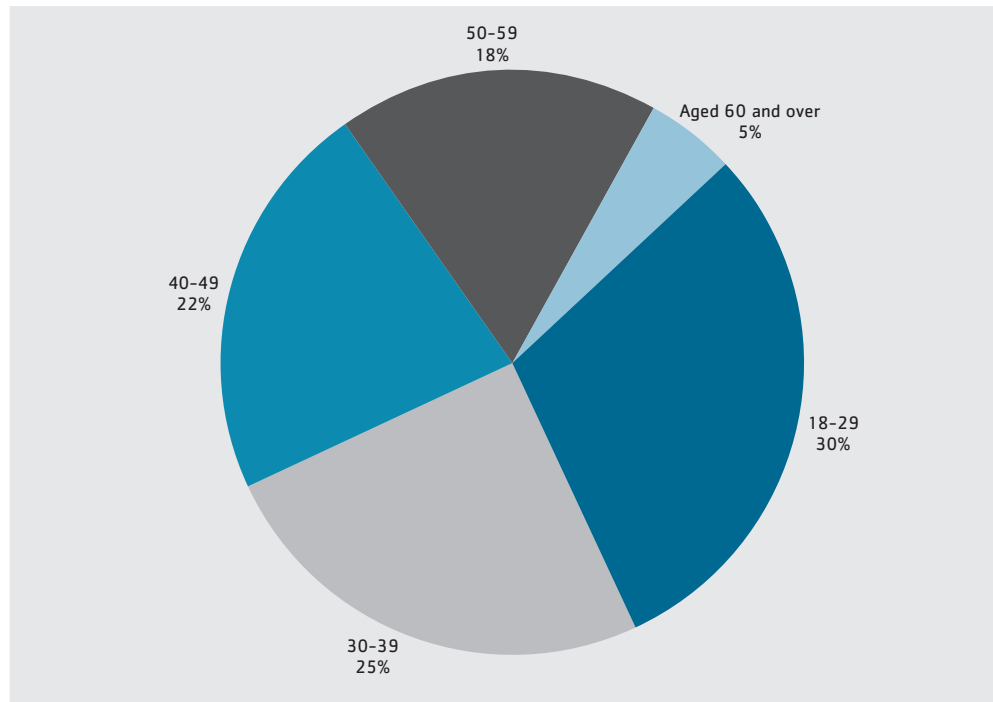
In 2013 the rehabilitative care of 11,591 people was completed. 5,689 rehabilitees completed at least one of the preparatory programs for work in the open market, and 75% of them succeeded in becoming integrated in the job market, where slightly more than half of those integrating into the job market were entitled to a monthly disability pension

Table 4
Persons who Completed Rehabilitative Care
by the Branch to Which They Belong and Manner of Completion
(Absolute Numbers and Percentages), 2013

| Manner of completion | | Total | General disability | Work injury | Survivors | Hostile action victims | |
|--------------------------------|------------------|--------|--------------------|-------------|-----------|------------------------|----|
| | Absolute numbers | 11,591 | 8,988 | 1,766 | 510 | 327 | |
| Total | Percentages | | 100% | 78% | 15% | 4% | 3% |
| Integrated into the job market | | 4,268 | 100% | 74% | 16% | 6% | 3% |
| Completed vocational training | | 720 | 100% | 79% | 9% | 10% | 2% |
| Completed pre-training | | 701 | 100% | 82% | 11% | 5% | 1% |
| Referred to another entity | | 579 | 100% | 94% | 5% | 1% | 1% |
| Discontinuation of care | | 5,323 | 100% | 78% | 17% | 2% | 3% |

7 A primary impairment is one whose medical disability rate is the highest of the person's impairments.

Graph 3
Persons who Completed Rehabilitative Care who Integrated into the Job Market by Age, 2013

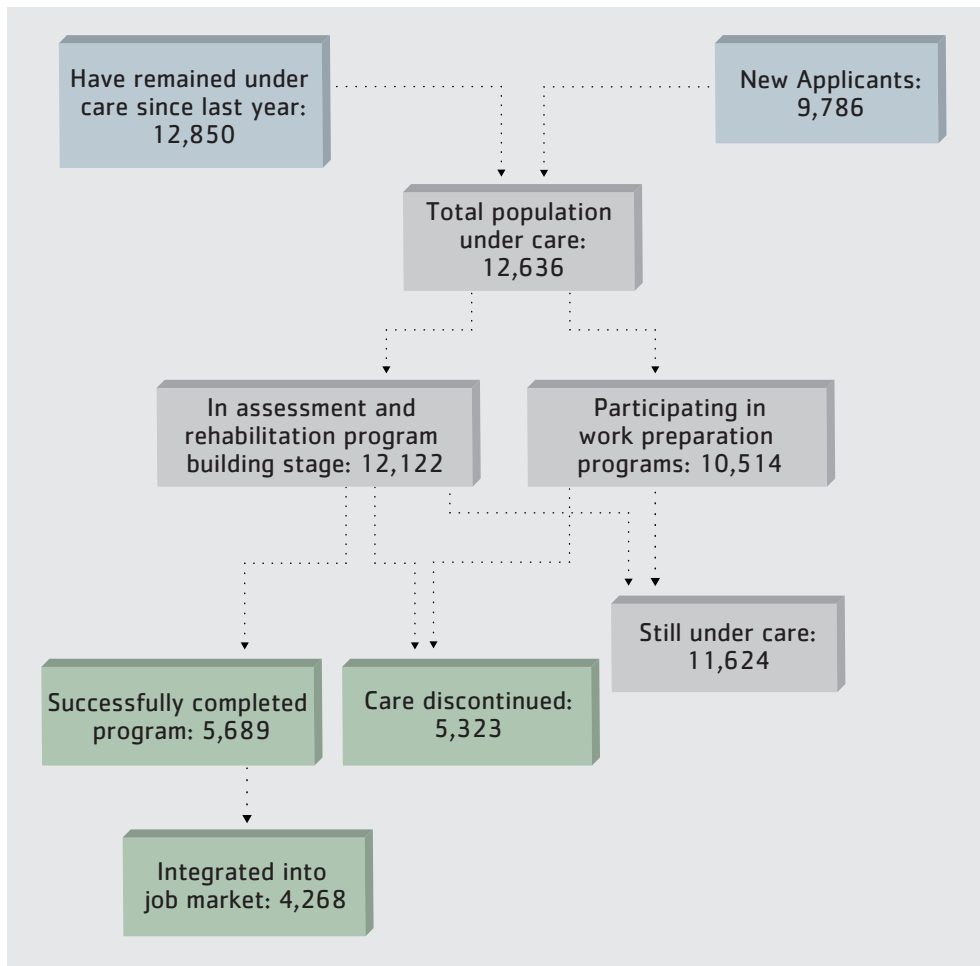


from the General Disability or Work Injury branches. This figure highlights the fact that the NII Rehabilitation Department is a major factor in the job market integration of disabled persons. For 5,323 people the rehabilitative care was discontinued, usually (approximately 65%) because they were found to be unsuitable.

Persons who completed the rehabilitation programs in 2013 required two years and two months to complete the program, on average. Nonetheless, the duration of the rehabilitation process is not fixed and it is influenced by many factors, ranging from the number of programs in which the rehabilitee participates, through the type of his training and ending with his medical condition. A few examples of the differences between rehabilitation graduates are:

- Those from the General Disability branch on average completed the program within two years and three months, while Work Injury rehabilitees required only one year and seven months for completion. These differences stem, inter alia, from the different work habits of the rehabilitees and from the different degrees of independence of the rehabilitees in these two insurance branches.
- The medical condition of the rehabilitee has a strong influence on the duration of his stay within the rehabilitation framework: for those with a medical disability rate higher than 65% the process was 50% longer than for those with a medical disability lower than 40% (2.7 years compared to 1.8 years).

Graph 4
The Population in Vocational Rehabilitation by Stages of the Process, 2013



Unquestionably the age distribution of the rehabilitees (Graph 1) has a decisive influence on the rate of persons integrating into the job market in every age group (Graph 3).

Nonetheless, despite the effort to integrate them into employment, the rate of 18-29 year olds among those being integrated into the job market is slightly low compared to their proportion out of all new applicants (30% compared to 36%). This may be a result of their medical condition and lack of job skills and employment experience.

Employment among Participants in Vocational Rehabilitation Programs

The main goal of the Rehabilitation Department's vocational rehabilitation programs is that participants of these programs find work. A case in which a rehabilitation

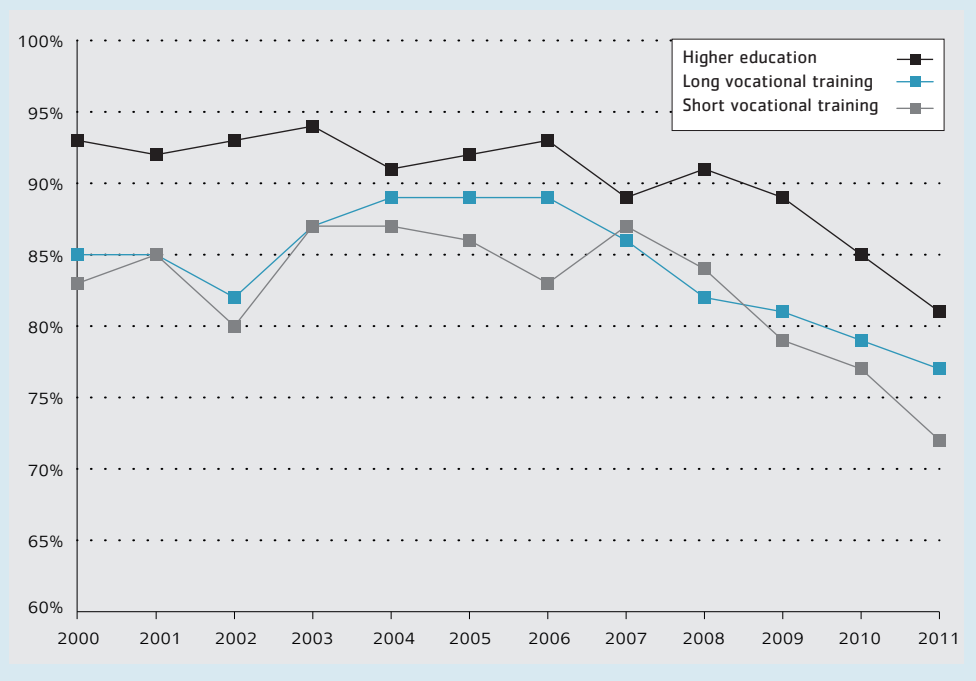
program participant finds work in the occupation that he has learned and persists at the job for an extended period is considered a success.

In order to obtain an overall picture of such cases, the trends over the years were examined. The National Insurance Institute receives detailed automated information about the employment situation of people only about a year after the end of the fiscal year¹ (at the time of this writing, figures are available for up to 2012 only), and therefore only those whose vocational rehabilitation training programs ended by 2011 were examined.

In order to determine the contribution of the Rehabilitation Department to the work integration of the rehabilitees, those who had completed job training programs were examined, the programs being divided into three groups: (a) higher education programs; (b) long vocational courses (lasting nine months or more); (c) short vocational courses (lasting up to nine months).

The findings show that in the period 2002-2008, on average of 92% of those who completed higher education programs found work, compared to 85% of those who completed both long and short vocational training programs (Graph 1). Since the

Graph 1
People who Completed Vocational Rehabilitation Training and Found Work (percentages), 2000-2011



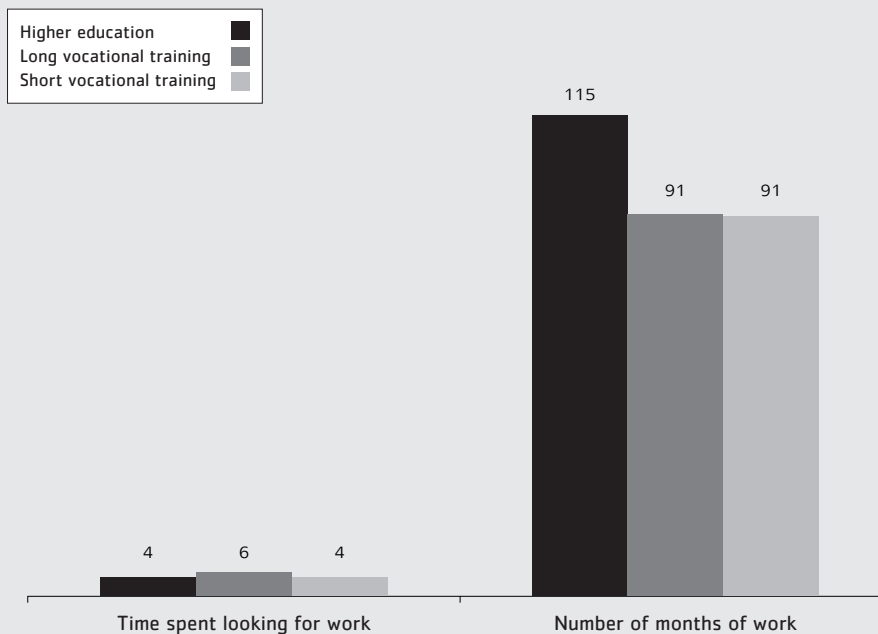
1 The employment and income data are produced by the Tax Authority and based on reported income of all working people, both salaried and self employed.

employment potential of those who completed rehabilitation programs from 2009 onwards has not been fully utilized, it is possible to see a fall in the proportion of rehabilitatees finding work in those years.

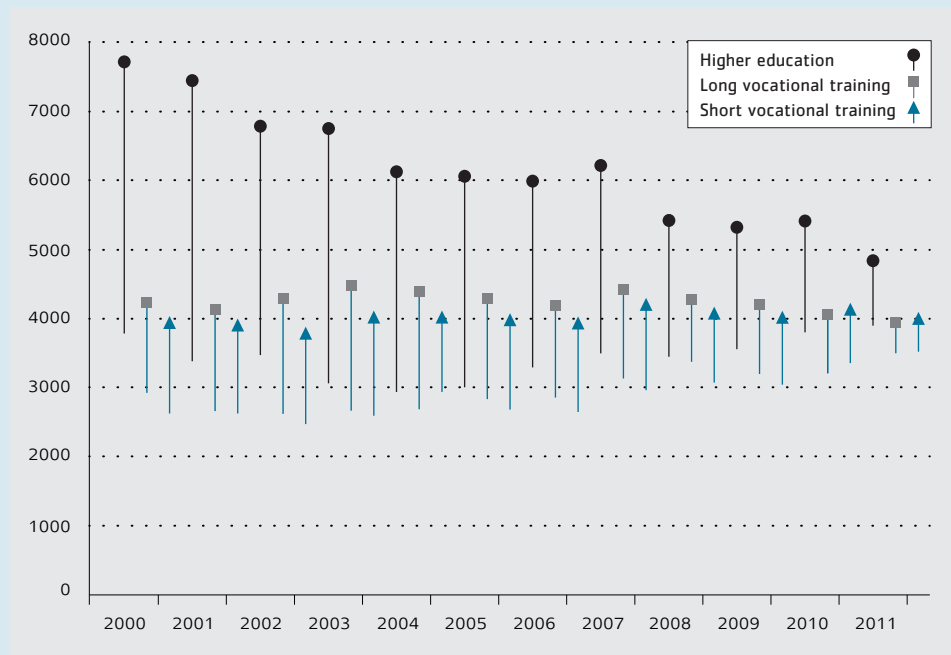
The wage data available to the National Insurance Institute do not enable a comparison between the vocational training that the individual received and the actual job that he performs at his place of work. However, we can look at the time spent looking for work and the length of the work period, which are also important variables for examining the effectiveness of the vocational training: about 50% of those who completed higher education required less than 4 months from the end of the vocational training course to find work, and the same was true for those who completed short vocational training. 50% of the people who completed long vocational training required up to 6 months to find work after the end of the course. It is also possible to see that work placement is more stable for the higher education group: they were in work for two years longer than those who completed vocational training.

In addition, the rate of pay rises for those who complete higher education programs is faster than for the others; Graph 2 shows that although there is no real difference in starting pay for the different groups (with the higher education group earning slightly more), later developments in pay are very different. If we assume that the individuals

Graph 2
Time Spent Looking for Work and Number of Months in Work
for Those who Completed Vocational Training, 2000–2007



Graph 3
Pay Rises among those who Completed Vocational Training and Found Work, 2000-2011



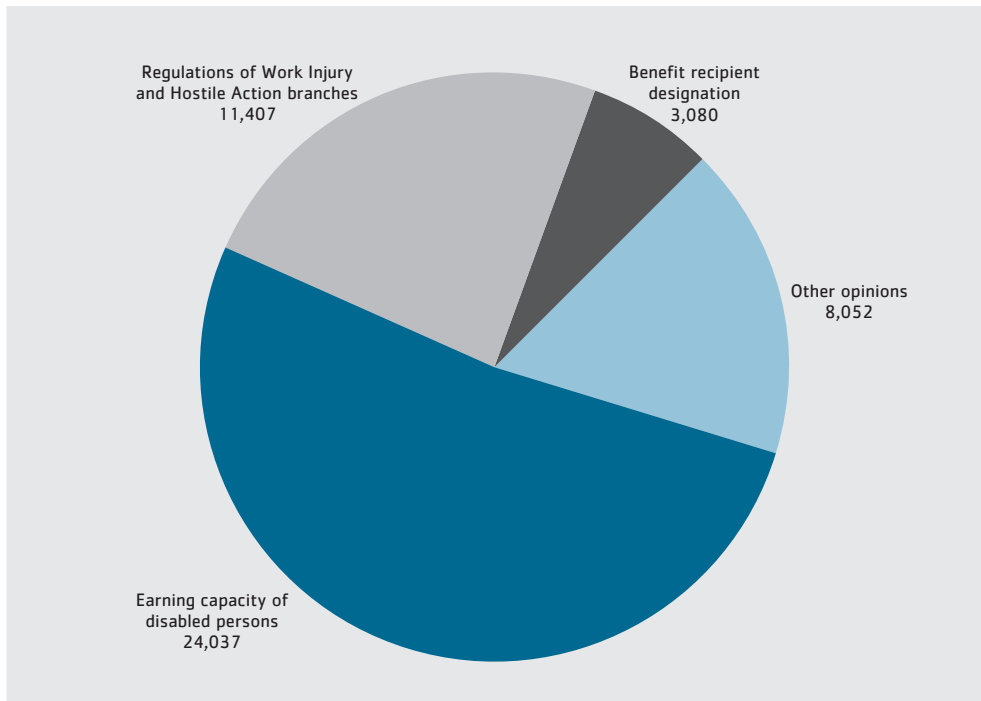
who have most fully utilized their earning potential are the ones who completed the programs in the years 2000-2001, then while those who completed vocational courses have increased their pay by an average of 33% over the years, those who completed the higher education courses have doubled their pay – a figure which in itself justifies the increase in the share of higher education courses out of all vocational training courses.

The National Insurance Institute is currently working on a research study designed to examine the costs and benefits of the various work preparation courses operated by its Rehabilitation Department, as well as changes in these variables over the years.

F. Additional Activities of the Rehabilitation Department

Alongside the vocational rehabilitation, the Rehabilitation Department personnel also hand down professional opinions to the Benefits Administration departments on the following issues: (a) establishing the degree of earning capacity for disabled persons; (b) benefit recipient designation; (c) opinions on determining the entitlement of work injured persons to a raised degree of disability (Regulations 15) and determining the entitlement to capitalizations; (d) determining the entitlement to special benefits for work injured persons and hostile action victims. Furthermore, the Rehabilitation employees write opinions outside the framework of the National Insurance Law.

Graph 5
Recipients Of Assistance In Exhausting Rights By Branch, 2013



In 2013 rehabilitation employees wrote a total of 46,576 different opinions, 52% of them with regard to establishing the degree of earning capacity for generally disabled persons (Graph 5).

Furthermore, the Department employees assist the work injured and hostile action victim populations in taking up the cash benefits to which they are entitled (such as a special pension and special grants). In 2013 they assisted 4,888 people in taking up cash benefits, out of whom 1,123 completed the care this year. Since they are social workers by profession, the Department employees also assist widows and hostile action victims⁸ in crisis. In 2013 they assisted 103 such people.

G. Payments

The vocational rehabilitation process entails paying for various items required for rehabilitation: maintenance, scholastic and mobility expenses. A breakdown of the payments follows:

- **Rehabilitation allowance:** A monthly maintenance benefit at the level of a full disability pension, which is paid during the study period to rehabilitees who are not

8 The processing of hostile action victims includes support and guidance throughout their lives.

entitled to a general disability pension or work disability allowance, provided that they study at least 20 hours per week.

- **Travel:** There are three options for travel expense subsidies: (1) reimbursement of travel to the venue of the training / assessment by public transportation. (2) supplement to a wage-earner mobility benefit for recipients of a partial mobility benefit. (3) use of shuttle services operated by the NII for rehabilitees who have a medical disability rating of 65% or more, and who have no vehicle and no driver's license.
- **Tuition:** subsidy of the academic tuition or of the training cost, up to the maximum amount prescribed under the Rehabilitation Department directives.
- **Tutoring and accessibility services:** assistance with tutoring, as needed and according to the scope of the study hours of the rehabilitee, as well as special assistance to disabled persons who require sign language translation, transcription, recitations, etc.
- **Rent:** Subsidy of rent or the dormitory cost to whoever spends time in vocational training that takes place more than 40 kilometers from their permanent place of residence, depending on their curriculum.
- **Equipment:** assistance to disabled persons in purchasing equipment essential for rehabilitation (computer, keyboard adapted for the blind, books, school supplies, etc.).
- **Other expenses (including per diem):** Assistance in taking up cash benefits, mainly among hostile action victims and work injured persons, as well as maintenance expense subsidies, subject to regulations.

In recent years, there has been increased adherence to rehabilitation entitlement approvals for suitable persons only and matching optimal rehabilitation programs. In 2013 approximately NIS 249 million was paid to 14,567 different people in the framework of the vocational rehabilitation⁹.

The distribution of payments in 2013 does not essentially differ from that of preceding years (Table 6).

1. The expenditure of the Disability branch constitutes about 67% of total annual expenditure, even though the rehabilitees of the branch constitute approximately 80%

Table 5
Expenditure on Vocational Rehabilitation – Total and by Branch,
2013 Prices (Nis Thousands), 2009-2013

| Year | Total expenditure | General disability | Work injury | Survivors | Hostile action victims |
|------|-------------------|--------------------|-------------|-----------|------------------------|
| 2009 | 257,067 | 167,367 | 27,677 | 12,562 | 49,461 |
| 2010 | 265,667 | 177,325 | 28,587 | 13,148 | 46,608 |
| 2011 | 203,343 | 125,293 | 24,173 | 12,032 | 41,845 |
| 2012 | 242,765 | 162,272 | 26,525 | 11,815 | 42,154 |
| 2013 | 248,889 | 169,547 | 26,826 | 10,184 | 42,332 |

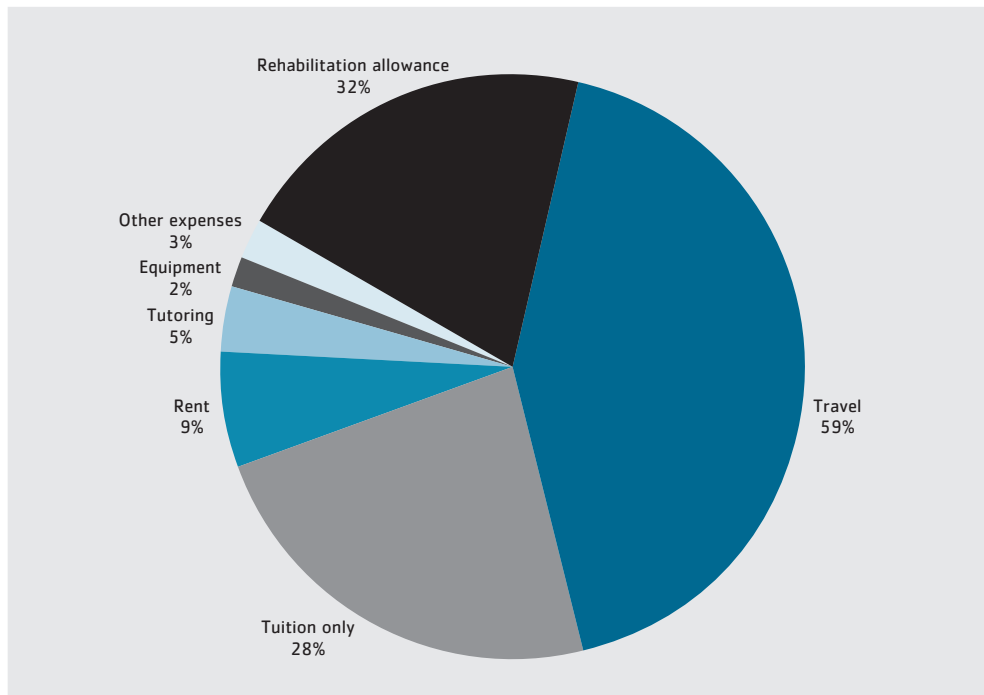
of the total rehabilitees. This is primarily a consequence of the conditions of entitlement in the other branches.

2. The main expenditures of the branch are for tuition payments (approximately 46% of the total expenditure), which are made to about 90% of the participants and for rehabilitation allowances, which constitute approximately one third of the total expenditure.
3. The average cost per rehabilitee was some NIS 15 thousand per year.

Table 6
Payments Related to Vocational Rehabilitation
by Branch and Number of Recipients (Nis Thousands and Percentages), 2013

| | Total | | Tuition | Rehabilitation allowance | Travel | Rent | Tutoring | Equipment | Other expenses |
|--------------------------|-------------------------|-------------|---------------|--------------------------|--------------|--------------|------------|------------|----------------|
| | Numbers (NIS thousands) | Percentages | | | | | | | |
| Total expenditure | 248,889 | 100% | 46% | 32% | 5% | 5% | 3% | 1% | 8% |
| General disability | 169,547 | 100% | 52% | 30% | 6% | 7% | 4% | 1% | 0% |
| Work injury | 26,826 | 100% | 35% | 57% | 5% | 1% | 1% | 0% | 0% |
| Survivors | 10,184 | 100% | 42% | 49% | 7% | 0% | 0% | 0% | 0% |
| Hostile action victims | 42,332 | 100% | 30% | 10% | 0% | 0% | 0% | 0% | 60% |
| Total recipient | 14,569 | | 13,144 | 4,754 | 8,754 | 1,322 | 770 | 277 | 1,246 |

Graph 6
Additional Rehabilitation Payments to Tuition Recipients, 2013



Under the law, whoever has been found suitable for supplementary education or vocational training is entitled to more related payments (among them tutoring, equipment, travel and rent) than are those who do not study, while anyone can receive more than one payment. Similar to preceding years, in 2013 approximately 32% received a supplement to a full disability pension (rehabilitation allowance) as part of their participation in rehabilitation programs (Graph 6). In 59% of the cases the Institution subsidized travel expenses to the place of study. 28% of the tuition recipients do not receive additional payments; it may be assumed that most of them are full pension recipients.