

# 1. Benefits in the General Disability Branch

In the General Disability branch the following benefits are paid by law:

- **Disability Pension** – assures a minimum subsistence income for disabled people whose ability to earn a living from work or from their occupation has been affected. Paid since 1974.
- **Special Services Allowance** – assists disabled individuals who are dependent on others for performance of daily activities or require constant supervision, to pay for this help. Paid since 1979.
- **Disabled Child Benefit** – paid (since 1981) to families caring for their disabled child at home.

This branch also handles benefits which do not arise from the National Insurance Law:

- **Mobility Allowance** – paid (since 1975) to individuals with restricted mobility<sup>1</sup>, to help with their mobility costs outside the home.
- **Compensation for scalp ringworm victims** – paid (since 1995) to individuals who were treated with radiation for this condition in the period 1946-1960 and consequently became ill.
- **Compensation for polio victims** – paid (since 2007) to anyone who contracted polio in Israel or was treated here and as a result suffered medical disability.

Table 1

## Recipients of General Disability, Special Services, Disabled Child and Mobility Benefits (Monthly Average), 2011-2015

Year	Disability		Special services		Disabled child		Mobility	
	No. of recipients	% change	No. of recipients	% change	No. of recipients	% change	No. of recipients	% change
2011	212,951	2.8%	35,219	6.3%	29,483	5.8%	32,964	4.3%
2012	217,589	2.2%	37,825	7.4%	32,103	8.9%	34,087	3.4%
2013	222,641	2.3%	40,860	8.0%	36,006	12.2%	35,311	3.6%
2014	226,552	1.8%	46,214	13.1%	40,473	12.4%	36,601	3.7%
2015	229,745	1.4%	50,823	9.8%	44,624	10.3%	37,910	3.6%

1 A disabled person who suffers from leg impairments as specified in the law.

Table 2  
**Adult Recipients of Disability Benefits by Type of Benefit, December 2015**

Number of benefits	Type of benefit	Number of recipients	% change from 2014
<b>Total</b>	<b>Disabled adults</b>	<b>263,467</b>	<b>1.9%</b>
	General disability	231,165	1.2%
	Special services	52,225	6.9%
	Mobility	34,079	17.4%
	Scalp ringworm	4,463	1.6%
	Polio	4,232	-0.4%
<b>One benefit</b>	General disability only	184,860	0.5%
	Special services only	10,438	11.9%
	Mobility only	11,919	5.3%
	Scalp ringworm only	3,860	3.7%
	Polio only	1,129	1.3%
<b>Two benefits</b>	General disability and SSA	28,326	5.8%
	General disability and mobility	6,999	-0.2%
	General disability and ringworm	240	-19.7%
	General disability and polio	226	-15.7%
	SSA and mobility	2,773	8.7%
	SSA and ringworm	154	13.2%
	SSA and polio	56	24.4%
	Mobility and ringworm	64	-1.5%
	Mobility and polio	1,415	3.4%
Ringworm and polio	Under 10	0.0%	
<b>Three benefits</b>	General disability, SSA, mobility	9,464	5.1%
	General disability, SSA, ringworm	48	-25.0%
	General disability, SSA, polio	46	-20.7%
	General disability, mobility, ringworm	16	-15.8%
	General disability, mobility, polio	510	-11.0%
	SSA, mobility, ringworm	55	5.8%
	SSA, mobility, polio	432	14.0%
	SSA, ringworm, polio	Under 10	0.0%
	Mobility, ringworm, polio	Under 10	-33.3%
<b>Four benefits</b>	GD, SSA, mobility, ringworm	19	-29.6%
	GD, SSA, mobility, polio	411	-6.2%

## Benefit recipients

Research from 2012 done by the NII together with the Joint – Brookdale Institute showed that 24.7% of the working- age population in Israel defines itself (subjective

definition) as handicapped in some way that affects ability to function<sup>2</sup>. About a quarter, 263,000, received one or more benefits from the NII General Disability branch in 2015 – an annual growth of 1.9% in the number of entitled persons. An additional 10% approximately, received a pension from the Rehabilitation Division of the Ministry of Defense or a work-injury pension from the NII. As for the remainder, either their level of disability was not sufficient to entitle them to a pension, they have not lost their ability to earn a living, or they are not claiming all their rights.

Recipients of the general disability pension constitute some 90% of all persons entitled to benefits from the branch. In 2015, their average monthly number was 229,745, which is about 4.7% of the eligible population (from 18 to retirement age). After about a decade during which the retirement age changed and amendment 109 to the Laron Law was introduced, the annual growth rate in number of pension recipients stabilized and is identical to that of the working-age population (less than 2%).

The growth rate in the number of special services allowance recipients dropped slightly in 2015 after having risen in previous years due to the change in eligibility tests (the IADL test was added) and the reduction in the number of waiting days until the commencement of the allowance. The growth rate in the number of children receiving a disabled child benefit also slowed, after the extension of eligibility for the benefit passed (**Or-Noi 2 Regulations**). The growth in the number of mobility allowance recipients remained unchanged from previous years (about 3.6%).

Since November 1999, a disabled person meeting all the conditions and definitions in the laws and regulations may receive more than one benefit for the same period from the General Disability branch. In December 2015, 51,261 disabled adults and 4,302 disabled minors (constituting about 21% of benefit recipients in the branch) received two or more benefits simultaneously (Tables 2 and 3). Particularly striking is the special services allowance (SSA), where about 80% of recipients are also entitled to additional benefits (usually a disability pension), and the compensation for polio victims, where about 73% of eligible recipients also receive an additional benefit (usually mobility allowance).

Table 3

### Minors Receiving Disability Benefits, by Type of Benefit, December 2015

Number of benefits	Type of benefit	Number of recipients	% change
<b>Total</b>	<b>Disabled minors</b>	<b>46,390</b>	<b>9.2%</b>
One benefit	Disabled child	41,841	10.3%
	Mobility	247	-2.0%
Two benefits	Disabled child and mobility	4,302	0.5%

2 Naon et al (2012) Working-Age Handicapped in Israel – Incidence in the Population, Characteristics and Employment Status. National Insurance Institute.

## 2. Disability Pension

### Persons eligible for the pension

Residents of Israel aged 18 to retirement age whose ability to earn a living from work<sup>3</sup> is affected by their disability are entitled to a monthly pension. In accordance with the conditions of the law, this pension assures them a minimum subsistence income. The law defines two types of eligible persons:

- **Disabled earners:** men or women who, due to physical, mental or psychological impairment from illness, accident or congenital defect, have lost their earning capacity or this has been reduced by 50% or more, or whose monthly income from work does not exceed the threshold stipulated in the law. The law distinguishes between two groups of eligible persons: (a) severely disabled and chronically disabled<sup>4</sup>, who are eligible for the pension if their income from work does not exceed 60% of the average wage; (b) all the rest: anyone whose income from work does not exceed 45% of the average wage.
- **Housewives:** married women who have not worked outside their household for the periods defined by law before submitting the claim for the pension, and who because of a physical, mental or psychological impairment due to illness, accident or congenital defect, have lost at least 50% of their ability to function in the household.

### Determination of eligibility for the pension

There are a number of stages in the process of determining pension eligibility:

1. **Examination of income from work at the time of first receiving the pension:** The amount of income from work which permits payment of a pension is not fixed and varies according to the medical condition and the group to which the insured belongs.
2. **Determination of medical disability:** On behalf of the NII, a certified physician determines the degree of medical disability on the basis of medical examinations and documents using tests stipulated in the law. The medical percentage expresses the severity of the disabled person's condition. In the course of the examination the doctor

3 In determining eligibility for a disability pension, income not from work is not taken into account.

4 Severely disabled: Someone who has been found to have medical disability of at least 70%, or who suffers from mental retardation or from psychological handicaps of at least 40%. Chronically disabled: was entitled to the pension for at least 60 months in the 7 years prior to 1.8.2009.

and the claims official check whether the threshold conditions for defining the person as disabled are met: (a) disabled earners – at least 60% medical disability, or 40% if there is at least one impairment of 25% or more; (b) a housewife - medical disability of at least 50%.

- 3. Determination of the degree of earning incapacity:** The NII claims official, after consulting with the NII doctor and rehabilitation official, determines to what degree the disabled person's earning capacity has been affected (degree of earning incapacity), according to the measure of his ability to return to his work (full or part-time) or find other suitable work, subject to his/her education, physical fitness and medical condition. Determination of the degree of full or partial earning incapacity expresses the full or partial loss of earning capacity, and determination of the degree of permanent or temporary incapacity indicates the loss of earning capacity, permanently or for a limited period of time. Earning capacity of less than 50% does not entitle the person concerned to a pension.

## Laron Law

In August 2009, amendment 109 to the National Insurance Law (**the Laron Law**) came into force, which was designed to improve conditions for disability pension recipients who went out to work, with the intention of enhancing their quality of life, integrating them into society, and strengthening their image in the public's eye. The main change resulting from the amendment was to permit an increase in income from work without denying eligibility for the pension and the benefits accompanying it, and to ensure that the total amount from salary and pension would always be higher than the amount from the pension alone<sup>5</sup>.

To distinguish between people with high potential for finding work and those whose chances of doing so are lower, the disabled were divided into two groups (see above **Disabled earners**). Different levels of income from work for determining benefit eligibility were also created, with the aim of encouraging severely or chronically disabled people to find work. As part of the amendment a new benefit was added - the encouragement benefit, paid instead of the disability pension to anyone whose income from work exceeds the amount specified in the law, namely 45%-60% depending on group, and whether they have been eligible for the disability pension for at least 12 months.

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<sup>5</sup> Until the amendment to the law came into force, the pension ceased in accordance with the disabled person's education (when income from work rose above 37.5/45/55% of the average wage). Now it is set off as follows: for income of 21%-25% of average wage - setoff of 10%; for income of 25%-68% - setoff of 30%; for income of 68%-93%-setoff of 40%; and for income of more than 93% - by 60%. Income from work which does not exceed 21% of the average wage is not set off.

## Amount of pension and increments

- A disabled earner or housewife defined as completely unfit for work (75% at least) is eligible for a monthly pension equal to 26.75% of the basic amount as defined in the law – NIS 2,342<sup>6</sup>.
- For a disabled person who is completely unfit for work and not in an institution, whose degree of medical disability is at least 50% (since March 2014, for impairments under Sections 33 or 91 – 40% disability), an increment (additional monthly allowance) of NIS 252-372 is paid. About 68% of recipients of the pension were eligible for this increment in 2015.
- For a spouse (whether married or common-law) who is a resident of Israel, whose monthly income does not exceed 57% of the average wage, an increment of 50% of the full single person's pension is paid. A disabled housewife is entitled to an increment for the first two children only and not for her spouse.
- For a child resident in Israel (as defined by the NII), an increment of 40% of the single person's pension is paid (for the first two children only).
- Those who receive an increment for their dependents and who have income not from work – the entire amount of the income not from work will be deducted from the increment for the dependents (only).

Recipients of the disability pension or encouragement benefit are also entitled to benefits from various public bodies subject to various conditions, such as exemption from payment of national insurance contributions and income tax, rates discounts, etc.

## Disability Pension Recipients

From the early 2000s, the growth rate of the number of people receiving disability pensions was more than twice the rate of natural increase in the population. There are a number of reasons for this increase: (a) the gradual rise of the retirement age for men and women; (b) increasing rates of disease in the population, due to an increase in reporting of illnesses and falling mortality rates among the sick; (c) reduction in the minimum income which permits examination of eligibility for a disability pension and the gradual setoff of the disability pension against income from work.

Once this potential was fully utilized by new recipients who became eligible as a result of these changes, the annual growth rate stabilized at 1.8% per year, which is identical to the rate of increase in the working-age population (Figure 1). As a result, the proportion of disability pension recipients in the working-age population also stabilized around 4.7% in 2015.

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6 All the amounts in this chapter are as at 2015.

Figure 1  
 Disability Pension Recipients and Evolution of the Working-Age Population, 2006-2015

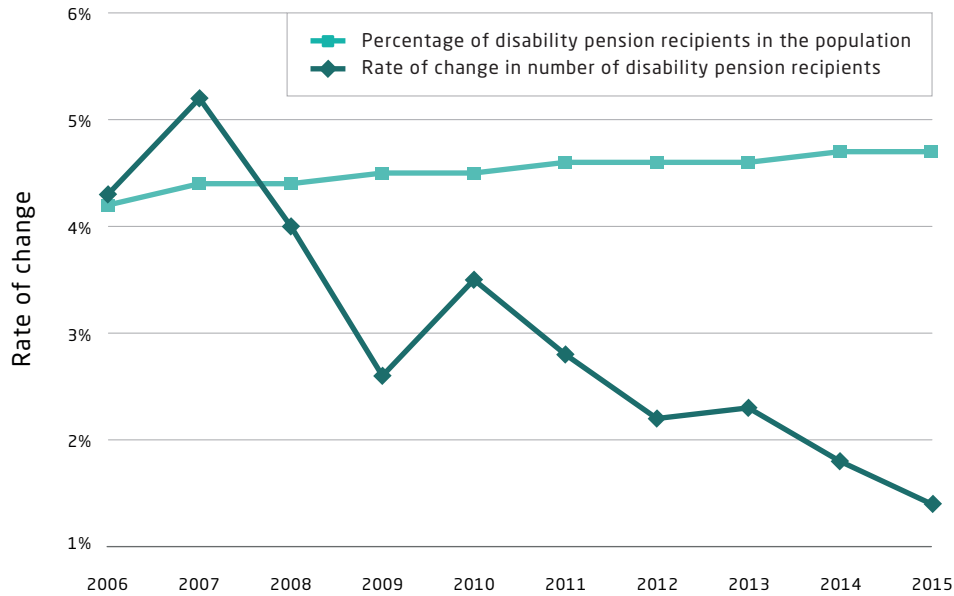
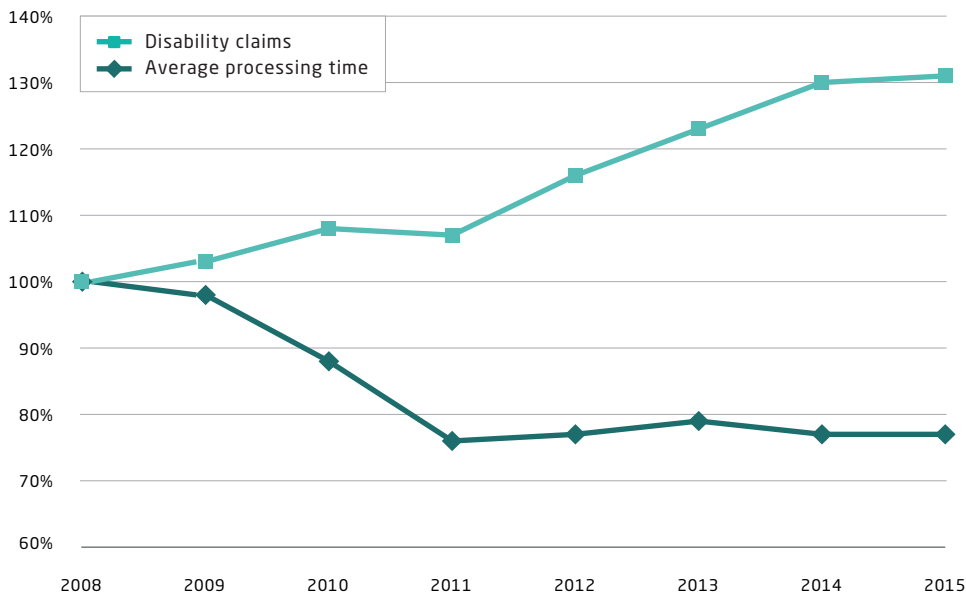


Figure 2  
 The Change in the Number of Disability Pension Claims and Average Claim Processing Time, 2008-2015



An examination of the breakdown of pension recipients in December 2015 by sex and degree of incapacity determined for them<sup>7</sup> shows a significant gap in degrees between disabled earners and housewives (Table 4). About 84% of the earners (men and women) were found to have complete loss of earning capacity and were eligible for the full benefit, while only about 38% of the housewives were found to have complete loss of capacity. These differences are due to the different eligibility tests for the two groups.

A psychological problem is the main impairment for about a third of disability pension recipients<sup>8</sup> (Table 5). Characteristics of the main impairment vary with age: among younger claimants, congenital impairments are more prominent (such as retardation, deafness and psychological impairment<sup>9</sup>), while among older claimants the percentage of impairments that develop with age (such as internal and urogenital<sup>10</sup>) increases. Also in 2015 the average age of disability pension recipients was 47.

Table 4  
Disability Pension Recipients by Degree of Incapacity  
and Sex (Absolute Numbers and Percentages), December 2015

Sex		Total		Degree of incapacity (%)			
		Absolute numbers	%	60%	65%	74%	75%-100%
Total	absolute numbers	231,165		22,578	17,352	5,120	186,115
	Percentages	100	10.2	7.2	2.2	80.5	
Men		134,309	100	8.5	5.8	1.6	84.1
Women	Total	96,856	100	11.6	9.9	3.0	75.5
	Earners	81,315	100	8.5	7.0	2.0	82.6
	Housewives	15,541	100	27.9	25.3	8.4	38.4

About 47% of disability pension recipients are married<sup>11</sup> and should apparently be eligible for an increment for the spouse, but only 35% receive this increment due to the high income of the spouse (whether or not from work) or of the disabled person (not from work) (Table 6). The percentage of married female earners is low, because a married woman who did not work for a period of time defined by the law before submitting

7 The breakdown of pension recipients by degree of incapacity and degree of medical disability appears in Table 21 in the Insurance Branches Tables Appendix.

8 The impairment with the highest degree of medical disability of all the impairments. At the NII degrees of medical disability are not determined by illnesses, but by the organs and their functioning.

9 Retardation: includes those suffering from Down's syndrome. Psychological: includes those suffering from autism.

10 Internal: includes blood, heart, liver and lung diseases, diabetes, asthma and most cancer patients. Urogenital: includes kidney, urinary tract, fertility and bladder problems (common among prostate cancer patients).

11 Not including those who have a common-law spouse.



**Table 5**  
**Disability Pension Recipients by Present Age, Average Age**  
**and Main Impairment (Absolute Numbers and Percentages), December 2015**

Absolute numbers		Total		Age (%)					Average age
		Total	%	18-24	25-34	35-44	45-54	55-retirement age	
<b>Total</b>	<b>Numbers</b>	<b>231,165</b>		<b>17,553</b>	<b>34,491</b>	<b>42,809</b>	<b>55,144</b>	<b>81,168</b>	<b>46.9</b>
	<b>Percentages</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	
Psycho-logical	Psychotic disorders	46,347	20.0	21.1	27.6	27.6	20.6	12.2	43.3
	Psychoneurotic disorders	32,134	13.9	16.7	17.2	15.8	14.9	10.2	44.2
Mental retardation		23,212	10.0	21.2	18.7	13.3	7.8	3.8	38.7
Internal		54,169	23.4	9.0	9.2	13.8	23.5	37.6	53.4
Urogenital		7,290	3.2	1.3	1.6	2.2	3.7	4.3	51.7
Neurological		29,698	12.8	16.5	13.1	12.6	11.6	12.9	46.3
Locomotor		19,578	8.5	4.8	5.1	7.4	9.6	10.5	50.1
Sensory	Sight	10,746	4.6	4.4	4.3	4.5	4.7	4.9	47.6
	Deafness	5,605	4.5	2.4	2.8	2.2	2.1	2.1	44.2
Other		2,386	1.0	0.4	0.4	0.6	1.4	1.4	52.3

**Table 6**  
**Disability Pension Recipients by Composition of Dependents**  
**and Marital Status (Absolute Numbers and Percentages), December 2015**

Marital status		Total		Composition of dependents					
		Absolute numbers	%	No dependents	One child	Two children	Spouse	Spouse + child	Spouse + 2 children
<b>Total</b>	<b>Numbers</b>	<b>231,165</b>		<b>153,153</b>	<b>17,809</b>	<b>22,135</b>	<b>15,322</b>	<b>6,936</b>	<b>15,810</b>
	<b>Percentages</b>		<b>100%</b>	<b>66%</b>	<b>8%</b>	<b>10%</b>	<b>7%</b>	<b>3%</b>	<b>7%</b>
Married	Total	108,275	47%	43,799	10,537	16,521	15,138	6,782	15,498
	Men	65,477	28%	22,577	4,082	6,015	13,298	5,841	13,664
	Women earners	27,257	12%	12,592	4,038	6,012	1,840	941	1,834
	Housewives	15,541	7%	8,630	2,417	4,494	.	.	.
Unmarried	Total	122,890	53%	109,354	7,272	5,614	184	154	312
	Men	68,832	30%	63,219	2,743	2,299	156	136	279
	Women earners	54,058	23%	46,135	4,529	3,315	28	18	33

the claim is considered a housewife. However, the percentage of women defined as housewives is decreasing, and the percentage defined as earners has increased, mainly because of the increased rate of employment of women in the population.

## Improvement of service and full exercise of rights

In recent years the NII has taken action to improve the service to insurees and to increase full exercise of rights. A major measure of the quality of service is the amount of time elapsing from the date of claim submission until a decision is made, and an important measure for examination of full exercise of rights is the number of claims submitted. Thus, despite the constant increase in number of claims over the last four years, the average processing time for a disability pension claim was about 20% lower in 2015 than in 2008, and today is 55 days on average. Most of the decrease was achieved in the years 2008-2011 (Figure 2).

### Box 1

#### Full Exercise of Rights to Disability Benefits: Submitting Claims in Hospital

The NII aspires to operate proactively, efficiently and with sensitivity to human dignity, so that every insuree is able to fully exercise his/her rights. Indeed, in recent years the NII has taken much action to improve service to insurees and assure full uptake of their rights.

In May 2015 an innovative service was launched in hospitals – **First Class**: The NII on its own initiative, approaches people who have a high potential to be eligible for benefits, and thereby spares them all the bureaucratic procedures involved in submitting a claim. The venture began operating in Sheba Hospital (in May) and in Soroka Hospital (in September).

In order to locate potentially eligible persons in the hospital system, medical diagnoses (ICD9/ICD10) connected with eligibility for general disability, special services and disabled child benefits were marked. A designated nurse or social worker in the hospital, who has undergone training by NII employees and is familiar with eligibility conditions for benefits and the process of submitting claims, receives a list of patients each day who have been diagnosed with one of these ailments, and informs them that they may be eligible for benefits. Medical documents are forwarded to the NII by computer and secured in a safe for further processing. In this way the time for processing claims is reduced, the benefit is paid more quickly and insurees do not need the assistance of lawyers or companies to take up their rights.

At the time of writing these lines, a year has elapsed since the beginning of the project, and the purpose of this box is to summarize its contribution in this short period of time. In 2015 a total of 1,291 claims for benefits from the Disability branch were submitted: 54% for the general disability pension; 42% for the special services allowance, and the rest, 4%, for the disabled child benefit (Table 1). Most of the

Table 1  
Claims for Disability Benefits Submitted in Hospitals, 2015

Benefit	Status at time of submitting claim	Sheba Hospital	Soroka Hospital
Total	Total	730	561
	Not receiving a benefit	629	395
	Receiving a benefit	101	166
General disability	Total	390	310
	Not receiving a benefit	342	205
	Receiving a benefit	48	105
Special services	Total	321	225
	Not receiving a benefit	268	165
	Receiving a benefit	53	60
Disabled child	Total	19	26
	Not receiving a benefit	19	25
	Receiving a benefit		1

Table 2  
Claims Submitted in Hospitals and Claims Submitted in Other Ways, by Decisions, Approvals and Processing Time, 2015

Benefit	Stage	Claims in hospitals	Claims in other ways
General disability	Submission	700	113,402
	Decision	486	104,821
	Approval	212	38,287
	Percentage of approvals	44%	37%
	Average processing time (days)	27	55
Special services	Submission	546	44,258
	Decision	403	41,665
	Approval	265	23,005
	Percentage of approvals	66%	55%
	Average processing time (days)	11	32
Disabled child	Submission	45	32,712
	Decision	26	29,696
	Approval	23	18,382
	Percentage of approvals	88%	62%
	Average processing time (days)	9	34

recipients of this service (about 80%) are people who were not receiving benefits when they submitted their claim.

In Table 2 a comparison is presented between claims submitted in hospitals and claims submitted in other ways, according to the number of decisions, percentage of claims approved and processing time.

The higher percentage of approvals arises from the target group which was chosen for the project, but considerable reduction in processing time is a direct result of the project. For general disability the average time is 51% less than the processing time for claims submitted in other ways, for the special services allowance - 66% and for disabled child - 74%.

The **First Class** project won the prize for civil service innovation in a competition which was held among government ministries. In the coming years it is planned to extend the service to other hospitals and to health maintenance organizations.

## 3. Special Services Allowance

### Main points of the law

The special services allowance (also known as an attendance allowance) is paid to insureds who need help with daily activities according to the ADL test (dressing, eating, bathing, using the toilet and mobility in the home) and with running the household according to the IADL test<sup>12</sup> (preparing food, maintaining the home, taking medication, institutional and financial arrangements, shopping outside the house, using appliances), or who need constant supervision to prevent mortal danger to themselves or others<sup>13</sup>.

Eligibility applies to Israeli residents who have not reached retirement age before submitting a claim, provided they meet the following conditions:

- They receive a disability pension: if their degree of medical disability is 60% or more (for recognized types of impairments), and they do not receive a special benefit for work-injury victims or payments for personal care or help in the house under another law.
- They are undergoing active treatment for oncological diseases and are dependent on the help of others; or require dialysis (at least twice a week); or have undergone an organ transplant (kidney, heart, pancreas, lung, liver); or a bone marrow transplant, whether an autograft or an allograft.

<sup>12</sup> From June 2014.

<sup>13</sup> Like the conditions of eligibility under the law for long-term care insurance, Section 223 of the National Insurance Law (Consolidated Version), 5755-1995.

- They do not receive general disability pensions, but meet one of the following conditions: (a) they have been found to have at least 75% medical disability and their monthly income from work is not higher than 5 times the average wage (NIS 46,300 in 2015), and they do not receive a special benefit for work-injury victims or payment for personal care or help in the house under another law; (b) they are new immigrants (with an immigrant ID) who have been in the country for less than a year.

Anyone receiving benefits under the mobility agreement will be eligible for the special services allowance only if a medical board decides that he/she is 100% restricted in mobility or is confined to a wheelchair or needs and uses a wheelchair.

Anyone who was eligible for the special services allowance before reaching retirement age, on reaching that age can choose between the special services allowance and the long-term care benefit. Anyone hospitalized in an institution providing medical, nursing or rehabilitation services is not eligible for the special services allowance.

## Amount of the allowance

The amount of the special services allowance is determined pro rata to a single person's full disability pension (25% of the basic amount), and an increment is also paid on it (additional monthly allowance). There are three levels for the allowance, determined by degree of dependence on the help of others<sup>14</sup>:

- Anyone who needs considerable help with **most** daily activities **most** of the day – an allowance of 50% of a full disability pension, and additional monthly allowance of 14% - a total of NIS 1,401 per month.
- Anyone who needs considerable help with **all** daily activities **most** of the day - an allowance of 112% and additional monthly allowance of 28.5% - a total of NIS 3,076 per month.
- Anyone who is **entirely** dependent on another person for **all** daily activities **throughout** the day - an allowance of 188% of a full disability pension and additional monthly allowance of 42.5% - a total of NIS 5,045 per month.

Anyone who needs a ventilator constantly at all hours of the day and night and is defined as entirely dependent on the assistance of others is eligible, from April 2015, to a **ventilated disabled person's** increment, which is 83% of the full disability pension – NIS 1,817 per month.

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14 The rates are valid from April 2015. Until then the rates were 50%, 105% and 175% of a full single person's disability pension.

## Recipients of the special services allowance

In December 2015, 52,225 people received the special services allowance – about 7% more than in December 2014; for 6,264 of them this was the first year. There are several reasons for the rise in the number of recipients of the allowance: (a) the quality of medical treatment for the seriously ill has improved, and consequently their life span has increased and the number of those defined as completely dependent on the help of others has increased; (b) implementation of the Ben Yehuda Committee recommendation to add the IADL test to the eligibility tests. This recommendation was particularly beneficial for the blind and for people suffering from psychological problems. (c) The commencement of payment of the allowance was advanced: from the 91st day after the impairment appears, provided that the claim is submitted within 15 months at the latest. Since September 2012, people with medical disability of at least 75%, and who have been declared eligible for at least six months, receive the allowance from the 31st day.

After the number of recipients had increased in 2014 as a result of the addition of the IADL test, in 2015 the rate of increase moderated – from 13% to 10%. As opposed to this, the rate of increase in expenditure on special services allowances grew between the two years as a result of updating the rates of eligibility for the benefit (14% compared with 11%).

Most of those eligible for the special services allowance receive at least one additional benefit: about 73% also received a disability pension (ordinary special services allowance), and a further 22% (approximately) were also eligible for an old age pension (special services allowance for the elderly) (Tables 2 and 7). The high proportion of the elderly is the result of the continuing drop in mortality rates in Israel<sup>15</sup> and the differences in eligibility conditions between the special services allowance and the long-term care benefit<sup>16</sup>.

It is possible to discern a different breakdown of impairments in special services allowance recipients compared to disability pension recipients: special services allowance recipients have more neurological and internal problems and far fewer psychological problems or retardation (Tables 5 and 7). One of the explanations for this is the medical disability threshold for special services allowance eligibility and the eligibility tests for the allowance, which examine difficulties in performing daily activities and the help required to function in the household. Not only that: among recipients of the special services allowance, about half of whom work, it is possible to identify higher frequency of internal or urogenital problems compared to the two other eligibility groups, and an even lower frequency of retardation or psychological problems.

15 See: Ministry of Health (2014) Leading causes of death in Israel 2000-2011.

16 The special services allowance is a cash benefit and the long-term care benefit is usually in-kind.

Figure 3

### Change in the Number of Special Services Allowance Recipients and in Total Expenditure, 2006-2015

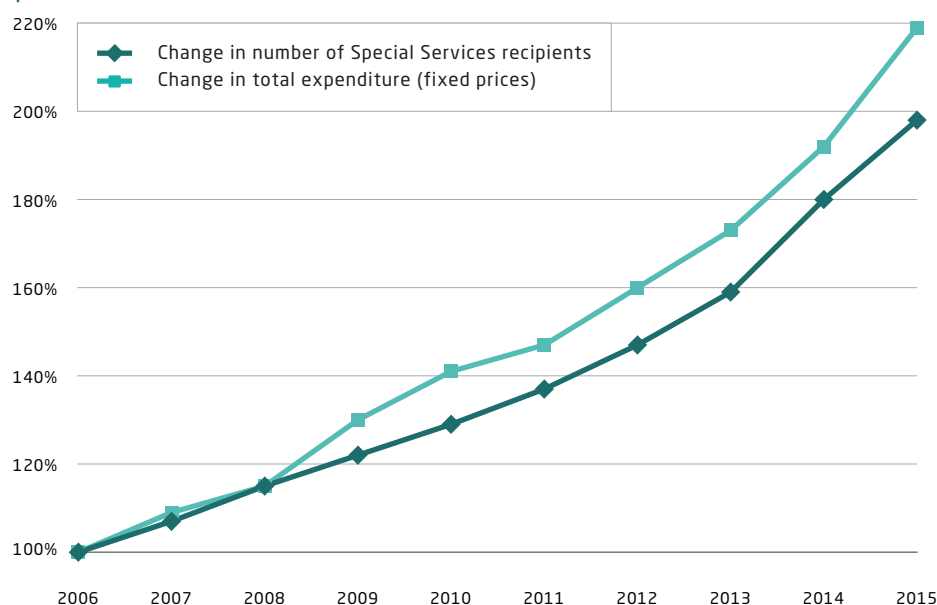


Table 7

### Special Services Allowance Recipients by Eligibility Groups and Main Impairment (Absolute Numbers and Percentages), December 2015

Main impairment	Total		Eligibility group (%)		
	Absolute numbers	%	Ordinary SSA	Special SSA	SSA Elderly
<b>Total</b>	<b>Absolute numbers</b>	<b>52,225</b>	<b>38,315</b>	<b>2,354</b>	<b>11,556</b>
	<b>Percentages</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Psychological	3,582	6.9	7.0	0.6	7.8
Mental retardation	4,166	8.0	10.4	0.2	1.5
Internal	12,395	23.7	21.2	48.9	26.8
Urogenital	3,777	7.2	7.0	13.5	6.8
Neurological	16,223	31.1	30.6	20.9	34.6
Locomotor	4,181	8.0	7.4	5.6	10.5
Sensory	7,779	14.9	16.2	9.4	11.6
Other	122	0.2	0.2	0.9	0.3

About 13% of special services allowance recipients are entitled to the allowance due to a special medical condition<sup>17</sup> (6,706 out of 52,225) (Table 8). The number of recipients

17 Special services allowance recipients who are entitled on one of the automatic grounds, but whose serious condition makes them eligible for a higher rate than stipulated in the regulations, are counted as dependent on others.

Table 8

### Special Services Allowance Recipients by Age and Grounds of Eligibility (Absolute Numbers and Percentages), December 2015

Grounds of eligibility	Total		Age (percentages)					
	Absolute numbers	%	18-24	25-34	35-44	45-54	55-64	65 and above
Total	Absolute numbers	52,225	4,272	5,223	6,161	8,804	16,412	11,353
	%	100	8.2	10.0	11.8	16.9	31.4	21.8
Undergoing active treatment		3,563	1.8	5.4	15.4	25.8	40.8	10.9
Need dialysis		3,063	2.1	6.2	12.1	23.1	36.6	19.8
Have undergone a transplant		80	2.5	8.8	16.3	30.0	26.3	16.3
Need assistance with most daily activities		22,969	6.3	10.0	12.2	17.9	33.0	20.5
Need assistance with all daily activities		11,216	5.8	8.7	10.8	15.3	31.8	27.6
Entirely dependent on others		11,334	18.0	13.8	10.8	11.7	23.5	22.3

of the allowance increases with age and the 55-64 age group represents about a third of recipients. Among those entirely dependent on others a high percentage of young people is noticeable – partly due to the high proportion with neurological problems. On the other hand, among those aged 65 and older, the percentage of those entitled on account of a special medical condition is low, since the allowance is only paid for a temporary period on those grounds.

The medical condition of special services allowance recipients is more serious than that of disability pension recipients as a whole (Table 9): about 61% of them have medical

Table 9

### Special Services Allowance Recipients by Percentage of Medical Disability, Marital Status and Employment of Foreign Caregiver (Absolute Numbers and Percentages), December 2015

Marital status	Employment of foreign worker	Total		Medical disability for SSA (%)			
		Absolute numbers	%	60-69	70-79	80-89	100-90
Total	Absolute numbers	52,225		5,107	6,787	8,391	31,940
	Percentages		100	9.8	13.0	16.1	61.2
Married	Total	27,346	100	7.8	10.8	16.6	64.9
	Employ foreign worker	2,251	100	4.6	8.7	18.8	68.0
	No foreign worker	25,095	100	8.0	10.9	16.4	64.6
Unmarried	Total	24,879	100	12.0	15.5	15.5	57.1
	Employ foreign worker	2,519	100	4.9	9.5	15.3	70.3
	No foreign worker	22,360	100	12.8	16.1	15.5	55.6

18 See Table 21 of the Insurance Branches Tables Appendix.



disability of over 90%<sup>18</sup> compared to about 18% of the disability pension recipients. Despite this, only about 9% of them employ a foreign worker and it seems that the rest are cared for by a family member. As expected, among those who employ foreign workers the proportion of people with over 90% disability is even higher – about 70%. The NII does not have any information about special services allowance recipients who employ an Israeli caregiver, but with regard to the long-term care benefit it is known that the number of Israeli workers is about 14% higher than the number of foreign workers.

## Box 2

### The Special Services Allowance and the Long-Term Care Benefit - Comparison

According to National Insurance Law there are three different benefits intended to finance assistance in cases of difficulty with daily functioning. They differ from one another with regard to the age of those eligible: disabled child benefit - up to the age of 18; special services allowance - from the age of 18 until retirement, and long-term care benefit, which is given after retirement age. In this box we will compare the special services allowance with the long-term care benefit, with regard to conditions of eligibility and characteristics of recipients.

#### The special services allowance

The special services allowance is paid to insurees who, due to physical, mental or psychological impairment, require personal care, assistance at home in performing daily activities (personal care or assistance with the household), or require supervision to prevent danger to themselves or others.

The allowance is intended for people of working age (men aged 18-67 and women aged 18-62), insurees or housewives whom a medical board has found to have medical disability of at least 60%<sup>1</sup>. The allowance enables the person living at home to finance assistance, but eligibility for it is not conditional upon actually purchasing the assistance. Those in an institution in which medical, nursing or rehabilitation services are provided are not eligible for the allowance. Those eligible for the allowance before reaching retirement age are also entitled to receive it after retirement age. Those living in Israel for less than 12 months are eligible to receive a special services allowance from the NII at the State treasury's expense.

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1 Someone who is ineligible for a general disability pension may be eligible for a special services allowance only if his/her medical disability is at least 75%.

### Conditions of eligibility

Eligibility for the special services allowance is determined by a NII doctor on the basis of four tests:

- Need for assistance with daily activities- dressing, eating, bathing, toileting and mobility inside the home (ADL test).
- Need for assistance with the household – cooking, home maintenance, taking medication, institutional and financial arrangements, shopping outside the home and operating appliances (IADL test).
- Need for supervision to prevent danger to themselves or others.
- Someone to whom one of the following applies: receiving active treatment for oncological diseases and dependent on the assistance of others; requires dialysis (at least twice a week); has undergone an organ transplant (kidney, heart, pancreas, lung, liver); has undergone a bone marrow transplant, whether an autograph or an allograft.

### Level of the allowance

The special services allowance has three levels and is determined as percentages of the full disability pension for a single person:

- Someone who is partially dependent on the assistance of others and has accumulated 20-43 points – 50
- Someone who is very largely dependent on the assistance of others and has accumulated 44-58 points – 111.9%
- Someone who is entirely dependent on the assistance of others and has accumulated at least 59 points – 188%. The full allowance amounts in 2015: NIS 1,401 – 5,045.

The allowance is paid directly into the eligible person's bank account. Those whose income from work is 4 to 5 times the average wage are entitled to half the allowance. Those whose income is higher are not entitled to the allowance.

### Long-term care benefit

The long-term care benefit is intended to assist with the burden of personal care of the elderly who, due to physical, mental or psychological impairment, need assistance in performing daily activities or supervision to prevent danger to themselves or others<sup>2</sup>. This benefit is in the form of services, not money, (a benefit in-kind), which

2 For immigrants who immigrated to Israel five years before retirement age, the benefit is financed by the State treasury.

is provided by organizations financed by the NII for this purpose, and it enables the elderly person to continue living in the community (at home, in a relative's home or in a retirement home). A cash benefit is given in cases where it is not possible to provide services at home at the times specified by the law. Someone living in an institution or nursing care department is not entitled to the benefit.

Those eligible for the benefit are insurees over retirement age with a physical, mental or psychological impairment. The claimants are not required to pass a medical board to determine the degree of disability, but must furnish medical documents attesting to an impairment.

### Conditions of eligibility

Eligibility for the long-term care benefit is examined by an assessor from the NII (nurse, occupational therapist or physiotherapist, or a doctor specializing in geriatrics, for those over 90), in accordance with two tests: the need for assistance with daily activities – dressing, eating, bathing, toileting and mobility inside the home (ADL test) and the need for supervision to prevent danger to themselves or others.

### Level of the benefit

The long-term care benefit also has three levels and it is also determined as percentages of the full disability benefit for a single person:

- 91% (9.75 hours per week) - for someone who is partially dependent on the assistance of others and has accumulated 2.5-5.5 points;
- 150% (16 hours per week) for someone who is very largely dependent on the assistance of others and has accumulated 6-8.5 points;
- 168% (18 hours per week) for someone who is entirely dependent on the assistance of others and has accumulated at least 9 points. The amounts of the full benefit in 2015: NIS 1,992 – 4,470 per month.

Someone who lives alone and whose income is at the level of the average wage - up to 150% of the average wage, or someone who lives with a spouse and their income is from 150% to 225% of the average wage, is entitled to half the benefit.

Eligible persons at the high or middle level who employ an Israeli worker are entitled to a supplement of four or three hours per week respectively. Someone who receives a cash benefit is entitled to it at the rate of 80% of the benefit determined for him in the dependency test.

### Comparison between the benefits

It is true that in the eligibility conditions for the special services allowance, more factors are taken into account, but the condition of medical disability in it is more

limiting. Apart from that, the highest level of eligibility for it (188% of a single person's disability pension) is higher than the highest level of eligibility for long-term care (168%), but both the other levels of long-term care (91% and 150%) are higher than the two corresponding levels of special services allowance (50% and 111.9%). For example, someone who needs a little help with dressing will receive 3 points on the special services allowance test and only 0.5 points on the long-term care test (Table 1).

Income tests give special services allowance recipients an advantage: the income taken into account is from work only, and income which deprives a person of the benefit or only entitles him to half is higher than that in long-term care. In addition, the special services allowance benefit is usually a cash one and is not conditional upon actually purchasing assistance, while the long-term care benefit is usually a benefit in-kind and is only given to those who have actually purchased services.

Table 1  
Special Services Allowance and Long-Term Care Benefit - Comparison

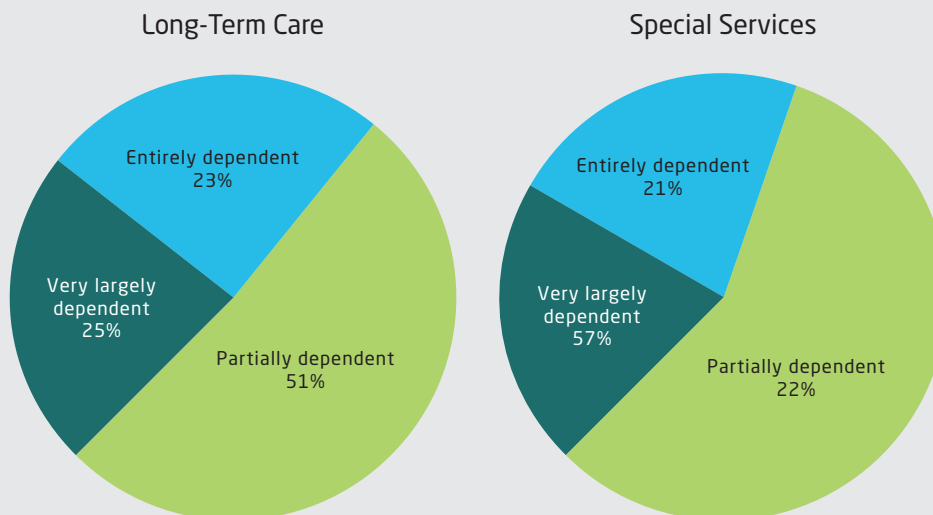
	Special services	Long-term care
Year in which the law came into force	1979	1988
Those insured	Insurees, housewives and new immigrants	Insurees, housewives and new immigrants
Age	Working age	After working age
Medical disability	At least 60%	Evidence of medical impairment
Eligibility tests	ADL, IADL, supervision, medical treatment	ADL, supervision
Examiner	Doctor	Assessor
Type of benefit	Money	Services (except in special cases)
Levels of eligibility	50%, 111.9% or 188% of the full disability pension for a single person	91%, 150% or 168% of the full disability pension for a single person
Entitling points	20-43, 44-58, 59-98	2.5-5.5, 6-8.5, 9-11
Income test	Full benefit: up to 4 times the average wage Half benefit: 4-5 times the average wage	Full benefit: single person – up to 100% of the average wage, couple – up to 150% of the average wage Half benefit: single person – 100% -150% of the average wage, couple – 150% - 225% of the average wage
Determining income	Current income from work of the eligible person only, and not the spouse	All current income, including the spouse's income (except Holocaust survivors' reparations)

### Number of recipients and monetary expenditure

According to the 2009 health survey conducted by the Central Bureau of Statistics<sup>3</sup>, 2% (about 64 thousand people) of the working-age population, and 21% (about 200 thousand) of the population over working age have limitations in daily functioning. These data are also expressed in the number of people entitled to each of the benefits: in 2015 about 51 thousand received a special services allowance every month on average, and about 161 thousand received a long-term care benefit. In both cases about 80% of the potential population receives a benefit from the NII. The breakdown of eligible persons by level of dependency is similar for both benefits.

Figure 1

#### Special Services Allowance and Long-Term Care Benefit Recipients, by Level of Dependency on the Assistance of Others



The percentage of new long-term care claims out of all claims is higher than the percentage of special services allowance claims – 67% compared with 39% (Figure 2), apparently because those potentially eligible for a special services allowance make more effort to increase the rate of their entitlement to the benefit, while those for

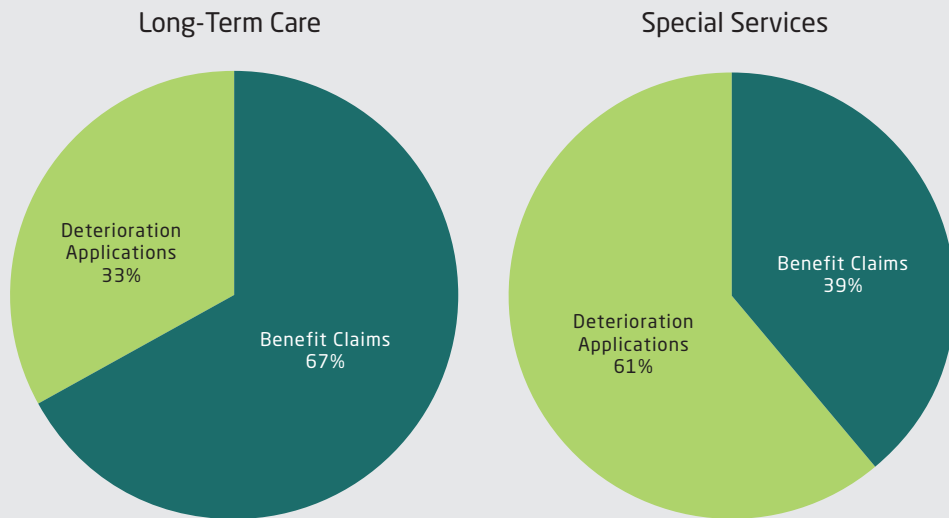
3 The Central Bureau of Statistics Health Survey 2009, Table 18.1. [http://www.cbs.gov.il/publications13/health\\_survey09\\_1500/pdf/t18\\_1.pdf](http://www.cbs.gov.il/publications13/health_survey09_1500/pdf/t18_1.pdf)

long-term care make less effort. A reason for this may be the age differences of the claimants and the difficulty which elderly people have in dealing with bureaucracy. Another possible explanation is that in the case of a cash benefit, insurees usually aim to increase the amount. However when assistance is in-kind (care hours) it may be that the insuree receives assistance which is sufficient for his needs.

With regard to the change in the benefit amount over the years, the average long-term care benefit has increased in real terms from 2013 more than the special services allowance, mainly due to the addition of another level of long-term care (168%) in 2007. In 2009 and 2015 the amount increased as a result of the increase in minimum wage. The number of hours for those eligible for long-term care has not changed, but the total expenditure has increased.

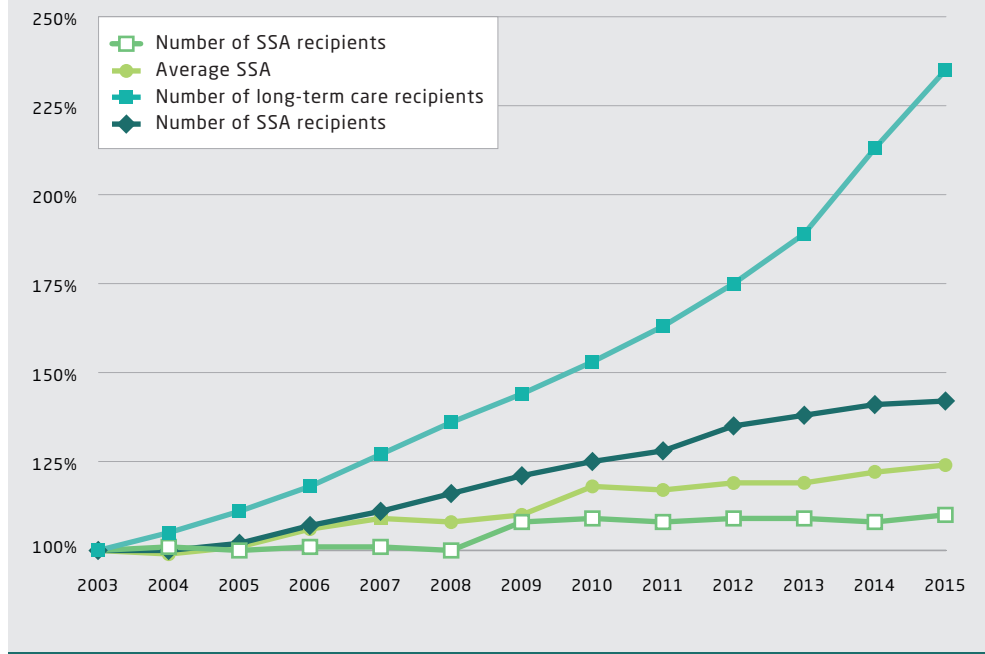
Figure 2

### Claims and Deterioration Applications - Special Services Allowance and Long-Term Care Benefit



The trends were also different with regard to the recipients of the two benefits: from 2003 the number of special services allowance recipients increased 2.5 times, while the number of long-term care recipients increased by only 50% (Figure 3). One explanation for this is the inclusion of the IADL test in the special services allowance eligibility tests in 2014, a change which alone led to an increase of about 30% in the number of recipients. Another explanation is the raising of the retirement age, which increased the number of those potentially eligible for special services allowances and reduced the number of those potentially eligible for long-term care.

Figure 3  
Change in the Number of Recipients and Amount of the Real Average Benefit - SSA and Long-Term Care, 2003-2015



## 4. Disabled Child Benefit

The disabled child benefit is intended to help families caring for a special needs child with the expenses involved in the difficult personal and nursing care of the child, or with any other treatment intended to improve his/her functioning, and to encourage the family to care for the child in the home and community.

### Persons eligible for the benefit

There are two stages in the process of determining eligibility for the benefit. In the first stage, the claims official verifies that the preconditions for eligibility exist: the child, as defined in National Insurance Law, has not reached the age of 18, is the child of an

insured person<sup>19</sup> (or of someone who was insured and died while residing in Israel), and he/she is not being kept with a foster family or in an institution<sup>20</sup> (in boarding school conditions, where therapy, nursing or rehabilitation services are provided<sup>21</sup>).

In the second stage, a pediatrician appointed by the NII examines the child and determines whether he/she meets one of the following conditions:

- **He/she is dependent on the assistance of others** (from the age of 3): A child who, due to illness, syndrome, accident or birth defect is dependent on the help of others far more than other children of the same age for performing daily activities (dressing, eating, bathing, personal hygiene, mobility in the home).
- **He/she needs constant presence or permanent supervision** (from 90 days): A child who, due to a serious medical impairment, severe chronic illness, severe behavioral disturbance or mental retardation, cannot be left without permanent supervision or who needs the constant presence of others to prevent mortal danger to himself or others.
- **He/she suffers from a particular impairment stated in the regulations<sup>22</sup>** (from birth): delayed development, needs help with communication, deterioration in hearing, impaired vision, autism or psychosis, Down's syndrome.
- **He/she requires special medical treatment** (from the age of 90 days): A child who, due to a chronic illness, requires special medical treatment (as specified in the law). In recent years a number of amendments have been made to the law, which have led to an increase in the number of those eligible and to an increase in the monthly benefit paid to them. The most important changes are: the implementation of the Or-Noi Committee recommendations, which increased the number of grounds of eligibility for the benefit; combination of the increment for living expenses and help with studies at a level of 20% of the full benefit, and granting the increment to all recipients of the benefit; and increasing the amount of the benefit paid to children entirely dependent on the help of others.

## Size of the benefit

According to the regulations, the benefit amount is set at a percentage of the full disability pension for a single person for each type of impairment<sup>23</sup>. There are three basic levels:

19 Including stepchildren or adopted children who have not yet reached the age of 18.

20 A foster family which keeps a child with special needs is entitled to support from the Ministry of Welfare.

21 Except for special cases where the child is kept in an institution and his parents bear all the costs of his maintenance.

22 A child found to be eligible for a benefit in this category is entitled to receive a disabled child benefit from the date of his birth.

23 Unlike the disability pension, which is influenced by the degree of medical disability and degree of incapacity, there is no difference between disabled child benefit recipients who are eligible on the same grounds. The benefit rates appear in the National Insurance Regulations (Disabled Child), 5770-2010, Section 2: Benefit for special arrangements.



50%, 100% and 188%. A child who meets more than one of the eligibility conditions will be entitled to one benefit at the highest rate. The amount of the basic monthly benefit for a child receiving a benefit at the rate of 100% was NIS 2,189 in 2015, to which is added the additional monthly allowance at the rate of 17% of the full pension for a single person – NIS 372.

Since April 2015 anyone who needs a ventilator constantly at all hours of the day and night and is defined as entirely dependent on the assistance of others is entitled to the **ventilated disabled person's** increment, which is 83% of the full disability pension – NIS 1,817.

A family with two or more children receiving a disabled child benefit is entitled to an increment of 50% (of the amount of the benefit for each child) for each of the children. A family with two special needs children, one of whom is not entitled to a benefit (because he/she is in an institution, or is over 18 and received the benefit until reaching the age of 18) is also entitled to this increment.

When children reach the age of 18, they may be eligible for a disability pension or special services allowance, the NII initiates a claim for them to exercise all their rights to these benefits. Payment of the benefit continues for three months after their 18th birthday, in order to maintain continuity of payments to the family.

## Children receiving the benefit

A national survey of children with disabilities, carried out in 1995-1997 by the NII and the Joint- Brookdale Institute, found that 7.7% of children in Israel have a chronic functioning problem or need regular medical treatment for a year or more. According to this estimate, in December 2015 there were about 213,000 children in Israel with special needs, and 46,143 of them received the disabled child benefit – an increase of about 10% compared to 2014. The rate of change in the number of recipients of the benefit is higher than the rate of change in the total number of children in Israel (Figure 4) for three main reasons: (a) implementation of the Or-Noi Committee conclusions;

(b) restoration of supervision to the list of grounds of eligibility for the benefit (the number of children requiring supervision also doubled over the last year); (c) the increase in the number of children diagnosed as being on the autism spectrum.

Like the breakdown of all special needs children in Israel<sup>24</sup>, about 2/3 of recipients of the disabled child benefit are boys (Table 10), largely due to the greater frequency of autism among boys than among girls. The main ages of eligibility are 6-13, due to the definitions of eligibility for the benefit, which examine the burden placed on parents caring for the child,

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24 Naon et al (2000) Children with special needs: Evaluation of needs and their cover by the services Joint-Brookdale Institute and National Insurance Institute.

Figure 4  
Disabled Child Benefit Recipients and Evolution of the Child Population, 2006-2015

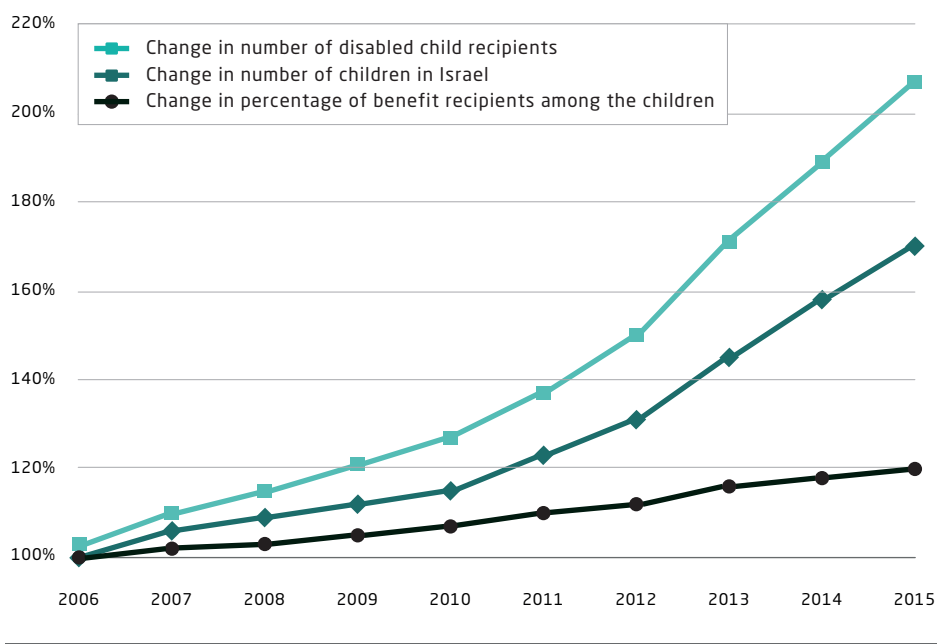


Table 10  
Disabled Child Benefit Recipients, by Age, Sex and Eligibility Group (Absolute Numbers and Percentages), December 2015

Sex	Eligibility group	Total		Age (percentages)				
		Absolute numbers	%	Up to 3	5-3	9-6	13-10	17-14
<b>Total</b>	<b>Absolute numbers</b>	<b>46,143</b>		<b>3,665</b>	<b>8,314</b>	<b>11,702</b>	<b>11,709</b>	<b>10,753</b>
	<b>Percentages</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Boys	Total	30,532	66.2	60.4	66.7	68.9	67.1	63.8
	Dependent on help of others	4,543	9.9	.	6.8	10.8	11.3	12.9
	Need constant presence/supervision	7,150	15.5	15.0	14.1	18.0	16.6	12.8
	Have a special impairment	15,107	32.7	30.4	38.7	33.1	32.0	29.4
	Need special medical treatment	3,732	8.1	15.0	7.1	7.0	7.2	8.6
Girls	Total	15,611	33.8	39.6	33.3	31.1	32.9	36.2
	Dependent on help of others	3,111	6.7	.	4.9	6.5	7.9	9.4
	Need constant presence/supervision	3,789	8.2	9.2	9.0	8.0	7.5	8.3
	Have a special impairment	5,758	12.5	19.0	4.2	11.1	10.9	12.1
	Need special medical treatment	2,953	6.4	11.4	5.2	5.5	6.6	6.4

compared to the normal situation for children of the same age<sup>25</sup>, and which are also affected by the minimum age specified in the regulations for some of the grounds.

Caring for a child with special needs is hard on parents, and caring for more than one disabled child is very much harder. In 2015 there were 4,718 families with more than one child receiving a disabled child benefit (a total of 8,437 children); 406 of these families have at least three children with special needs. The breakdown of the most common impairments among these children shows that about 24% of the families have two or more children with autism, about 19% have children with hearing problems, about 4% have children with impaired vision, about 15% have children who are dependent on the help of others and about 20% of the families have children who need constant supervision or presence to prevent mortal danger to themselves or others.

Less than 2% of disabled child benefit recipients employ a foreign worker in their homes; 65% of these are completely dependent on others for all daily activities (they can be identified by the rate of the benefit – 188%) (Table 11).

In 2015 the number of families whose children are completely dependent on others and who employ a foreign worker continued to increase. It is possible that the increase in the benefit for these children has enabled more families to fund the employment of such a worker. The number of children for whom a family increment is paid is almost identical to those who employ a foreign worker and those who do not (17%-18). As stated, there is no information about employment of Israeli workers.

Table 11

#### Disabled Child Benefit Recipients by Basic Benefit Rate, Party Assisting and Number of Disabled Children in the Family (Absolute Numbers and Percentages), December 2015

Employment of foreign worker		Total		Basic benefit rate (%)		
		Absolute numbers	%	50%	100%	188%
<b>Total</b>	<b>Absolute numbers</b>	<b>46,163</b>		<b>13,913</b>	<b>26,558</b>	<b>5,672</b>
	<b>Percentages</b>		<b>100</b>	<b>30.2</b>	<b>57.6</b>	<b>12.3</b>
Employ a foreign worker	Total	759	100	3.2	31.9	65.0
	Of whom: receive an increased benefit for families of disabled children	127	100	3.1	39.4	57.5
Do not employ a foreign worker	Total	45,384	100	30.6	58.0	11.4
	Of whom: receive an increased benefit for families of disabled children	8,310	100	26.5	63.4	10.1

25 Due to the child's natural development, the restriction is felt when he is small and lessens as he grows up.

## 5. Benefit for those with restricted mobility

The mobility benefit grants benefits to disabled persons with leg impairments which restrict their mobility<sup>26</sup>. The benefit is paid from the State treasury funds pursuant to an agreement signed by the Ministry of Finance and the NII.

### Persons eligible for the benefit

A resident of Israel aged 3-67, who has been found by a medical board of the Ministry of Health to have at least 40% permanent mobility restriction (for holders of a valid driver's license), or at least 60% permanent mobility restriction (for those who do not have a driver's license) is eligible for the benefit.

### The benefits

#### Monthly allowance

Paid as participation in the expenses of using a car<sup>27</sup> (for car owners) or mobility<sup>28</sup> (for those without cars) and updated in accordance with the increase in the cost of running a car. If the distance from the person's home to his/her workplace and back is more than 40km he/she is entitled to an increment. Only persons with restricted mobility who are defined as earners<sup>29</sup> are entitled to the full benefit.

#### Standing loan

Given to the purchaser of a new car, to provide full or partial funding of the taxes applicable to the car<sup>30</sup>. The loan amount will equal the taxes on the **determining vehicle** (as defined

26 Subject to the list of impairments which appears in Schedule A to the mobility agreement.

27 Petrol, insurance of the car and the equipment, repairs and services and protection devices.

28 And updated in accordance with the increase in the cost of running a car.

29 Someone who works and earns at least 25% of the average wage, or who has at least 80% mobility restriction, or is entitled to a special equipment vehicle. A non-earner is entitled to 50% of the full benefit.

30 For the holder of a driver's license: only if 42 months have elapsed from the date of receiving the last loan; for someone who does not have a driver's license: only if 48 months have elapsed; for the owner of a special equipment vehicle - only if 60 months have elapsed from the date of receiving the last standing loan. If the car is stolen or wrecked in an accident or there has been a deterioration in medical condition and the Medical Institute has confirmed that the car must be replaced, a new standing loan may be obtained.

in the law) which has been determined for the disabled person, according to his/her level of restricted mobility, and no more than the total taxes applicable to the car which was purchased. The loan is repaid to the NII subject to defined rules.

### **Loan fund**

A person whom a medical board has found to need and use a wheelchair and the Medical Institute for Road Safety has determined that he needs a special equipment vehicle<sup>31</sup>; or his/her mobility is restricted by at least 90%; a driver's licence holder who is studying/working/undergoing rehabilitation – is eligible for assistance in purchasing the first car equal to 80% of the car's value, excluding taxes<sup>32</sup>.

### **Loan to purchase and install equipment in the car<sup>33</sup>**

Someone who needs and uses a wheelchair is eligible for a loan to finance the special equipment required for the use of the car, if the Medical Institute for Road Safety has determined that he/she needs a special equipment vehicle. If he/she has a suitable vehicle – he/she is also entitled to assistance in purchasing a lifting device.

### **Reimbursement of the cost of purchasing and installing equipment in a private car**

If the Institute for Road Safety has determined that a restricted mobility holder of a valid driver's license needs additional equipment for driving, safety while driving and to use the car, he/she is eligible for reimbursement of the costs of such equipment which has been installed.

The benefits do not stop at the age of 67, but individuals who are entitled to participation in mobility costs under other laws will no longer be eligible for the benefits under the mobility agreement.

In the following cases, the person with restricted mobility is not entitled to the above benefits, and must choose one benefit: (a) he/she receives a special services allowance at a rate of less than 100% and has not been found to have 100% restricted mobility, or he/she does not need or use a wheelchair; (b) a child who receives the disabled child benefit and is younger than 3, or who is aged 3 and over and has not been found to have restricted mobility of more than 80%, or does not need or use a wheelchair.

A family with two or more children who have each been found to have at least 80% restricted mobility or have been found to be unable to walk unaided and are living in the

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31 A vehicle which can be entered or driven while in a wheelchair.

32 The assistance becomes a grant after five years.

33 In the amount of 95% of the value of the equipment and cost of installing it, including the taxes applicable to it, and for new equipment only.

same home, may be eligible for both the disabled child benefit and the benefits under the mobility agreement, even if the children have not yet reached the age of 3.

## Recipients of the Mobility Benefit

In December 2015, 38,628 people received benefits – an increase of about 3.5% compared to 2014. About 69% of the benefit recipients receive an additional benefit from the Disability branch (Tables 2 and 3), and another 2,268 were eligible for a disability pension from the Work Injury Victims Branch. It may be assumed that the remaining eligible persons who do not receive an additional benefit are earning a high salary that deprives them of the benefit or are forced to forgo other benefits due to duplication with mobility benefits.

The scope of the benefits paid to persons of restricted mobility depends on whether they own a car, the size of the car determined for them (classified by engine capacity) and their degree of independence (drive themselves or not). About 80% of persons with restricted mobility are eligible for a benefit as car owners, and about 35% of them have a small car (up to 1300cc engine capacity) (Table 12). About 71% of persons of restricted mobility who own cars drive themselves. The exceptions are owners of vans, most of whom in fact do not drive themselves, probably because of their severe medical condition and dependence on wheelchairs.

After years in which the percentage of persons of restricted mobility who owned a private car decreased and the percentage of those with a special equipment vehicle increased, partly due to the extent of benefits for owners of such vehicles, in the last

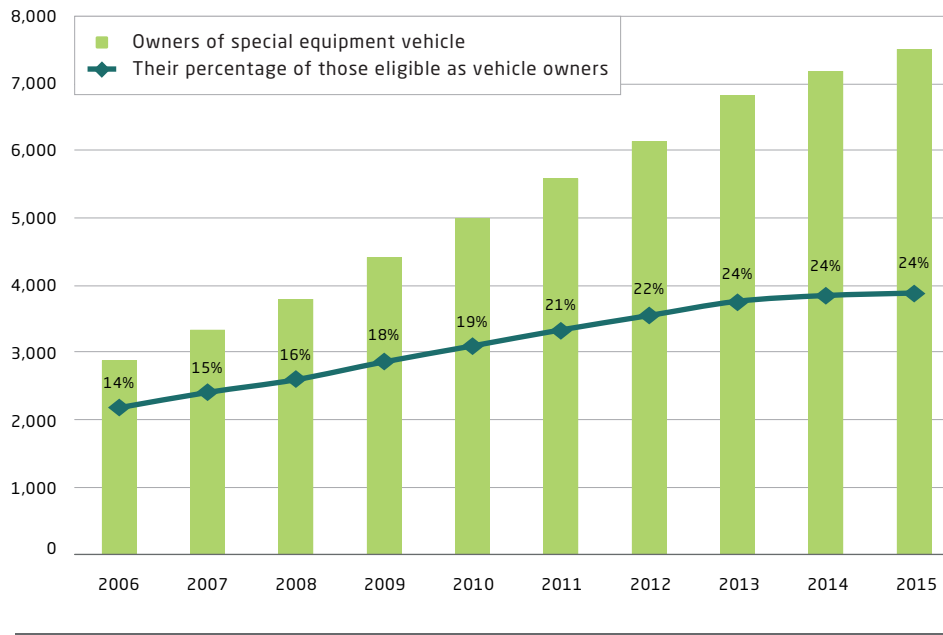
Table 12

### Mobility Allowance Recipients by Driving, Vehicle Ownership and Vehicle Size (Absolute Numbers and Percentages), December 2015

Vehicle ownership	Engine capacity	Total		Driving (%)	
		Absolute numbers	%	Drive themselves	Do not drive
<b>Total</b>	<b>Absolute numbers</b>	<b>38,628</b>		<b>21,789</b>	<b>16,839</b>
	<b>%</b>		<b>100.0</b>	<b>56.4</b>	<b>43.6</b>
Vehicle owners	1300	11,046	100.0	79.1	20.9
	1800	10,338	100.0	88.0	12.0
	2000	1,680	100.0	81.7	18.3
	2500	306	100.0	97.1	2.9
	Van	7,496	100.0	30.5	69.5
No vehicle		7,762	100.0	.	100.0

Figure 5

### Special Equipment Vehicle Owners and their Percentage out of all Vehicle Owners, 2006-2015



two years there has been a noticeable stabilization trend in the percentage of special equipment vehicle owners out of all vehicle owners (Figure 5). Today a quarter of the vehicle owners possess special equipment vehicles. This naturally has a great influence on the amount of public expenditure on mobility insurance.

The person of restricted mobility's degree of dependence on a wheelchair has a decisive influence on the degree of restriction and the size of vehicle determined for him: the greater the dependence on the wheelchair the greater the degree of restriction will be and the vehicle determined for him will be bigger (to enable him to enter the vehicle in the wheelchair). More than 90% of people confined to wheelchairs, and another 50% of those who need and use a wheelchair, have more than 90% restriction (Table 13). It can also be seen that the percentage of men eligible for the benefit is higher than the percentage of women.

About a third of benefit recipients are not of working age - about 12% of them are children, and about 20% elderly - and most of them (67%) suffer from paralysis of the lower limbs (Table 14). The younger the age, the higher the proportion of paralyzed recipients and the lower the proportion of those suffering from other impairments. This is because adults also suffer from restrictions which develop with age, while most of the children suffer from congenital impairments.

Table 13

**Mobility Allowance Recipients by Degree of Restriction, Sex and Dependence on Wheelchair (Absolute Numbers and Percentages), December 2015**

Sex	Dependence on wheelchair	Total		Restrictions (percentages)					
		Absolute numbers	%	40-49	50-59	60-69	70-79	80-89	90-100
Total	Absolute numbers	38,628		3,656	3,548	3,447	4,557	10,148	13,272
	Percentages		100	9.5	9.2	8.9	11.8	26.3	34.4
Men	Total	23,929	100	11.3	9.6	9.0	11.9	26.1	32.0
	Confined	4,410	100	0.2	0.1	0.1	0.3	8.2	91.1
	Need and use	5,974	100	2.3	1.6	6.7	6.1	36.5	46.8
	No wheelchair	13,545	100	18.9	16.3	13.0	18.2	27.4	6.2
Women	Total	14,699	100	9.5	8.5	8.8	11.7	26.5	38.2
	Confined	3,195	100	0.1	0.1	0.3	0.3	7.3	92.0
	Need and use	4,318	100	1.4	2.0	6.9	5.9	35.0	48.8
	No wheelchair	7,186	100	12.3	16.0	13.6	20.2	29.9	7.8

Table 14

**Mobility Allowance Recipients by Age and Main Impairment (Absolute Numbers and Percentages), December 2015**

Main impairment	Total		Age (percent)							
	Absolute numbers	%	3-17	18-29	30-39	40-49	50-59	60-69	67 and over	
Total	Absolute numbers	38,628	4,549	3,538	3,560	4,325	6,665	8,398	7,593	
	Percentages		100	100	100	100	100	100	100	
Lower limb paralysis		26,067	67.5	95.6	86.6	77.0	67.5	61.0	62.0	48.9
Limitation of joint movement		5,211	13.5	0.7	5.0	9.8	12.4	15.8	17.2	21.4
Arterial insufficiency		1,944	5.0	.	0.1	0.5	1.4	5.6	7.7	11.1
Amputations		1,642	4.2	0.8	2.2	3.7	5.9	5.8	4.3	5.2
Dislocations		1,315	3.4	0.9	1.7	3.6	5.2	4.8	2.9	3.9
False joints		989	2.6	0.4	0.7	1.7	2.9	3.0	2.7	4.4
Rigidity		923	2.4	0.5	0.9	1.6	2.7	2.7	2.3	4.4
Other		537	1.4	1.0	2.9	2.1	2.0	1.3	0.9	0.9

The mobility benefit is intended, among other things, to enable recipients to lead a normal lifestyle, including integrating into the workforce. Therefore it has been determined that if the distance from their home to their workplace and back is more than 40km, they are entitled to an allowance increment as compensation for their additional fuel costs. However, only some 17% of the benefit recipients work, most of them close to their homes (only 18% of working recipients receive the allowance increment due to the distance between their homes and workplaces).



## Mobility benefit in Israel and abroad

An examination of the benefits for people with restricted mobility in other Western countries shows that only a few countries have a special benefit for people with restricted mobility like the one in Israel. The main explanation for this is the low accessibility of public transport in Israel compared to other countries and the numerous mobility options available there: interurban and urban trains, bus lines and transportation services – urban, interurban and specific. Another explanation is that in most countries the mobility benefit is included in the benefits paid to those who are dependent on others (comparable to the special services allowance in Israel). In comparison to countries where a separate benefit is paid to persons with restricted mobility, Israel is by far the leader in the Western world in the range and scope of the benefits paid. Part of this is apparently due to the cost of buying and maintaining vehicles in Israel.

## 6. Compensation for scalp ringworm victims

### Main points of the law

Scalp ringworm (*Tinea Capitis*) is a fungal skin disease that generally causes skin discoloration and itching. Today the disease is treated with pills or creams, but until 1959 there was no effective medication and X-ray radiation was used, with what turned out to be serious side effects.

In 1994 the Knesset passed the Scalp Ringworm Victims Compensation Law, which was intended to compensate patients who were treated with radiation in the years 1946-1960 by the State, the Jewish Agency, the health maintenance organizations or Hadassah Medical Federation. Compensation is funded by the State treasury and paid by the NII.

According to the law, eligibility for the benefit applies to residents of Israel who suffered from scalp ringworm and about whom a committee of experts has decided that due to radiation treatment, they suffer from various cancers of the head and neck, or from benign brain tumors or from leukemia, or they have hair loss around the scars on the scalp, and whose degree of medical disability is 5% or more. The eligibility under the Scalp Ringworm Victims Compensation Law does not detract from the rights of those entitled to other benefits from the NII and is not dependent on their ages.

## Amount of the compensation

- **Monthly allowance:** Paid to those found to have 40% or more medical disability. The amount thereof is 25% of the average wage under the National Insurance Law, multiplied by the percentage of medical disability. The amount at 100% disability level is NIS 2,315.
- **One-time compensation:** Paid to a patient with 75% or more medical disability – an amount of NIS 187,139, and to a patient with 40%-74% medical disability half the amount – NIS 93,570.
- **Grant instead of allowance:** Paid on a one-time basis to a patient with 5%-39% medical disability. Calculated as a percentage of the full allowance amount (according to the degree of disability determined) multiplied by 70.
- **Survivors' grant:** Paid to the spouse of a patient who has a child with him/her, in the amount of 36 full monthly allowances (NIS 84,340) or to the spouse of a patient with no children with him/her or to the patient's children – in the amount of 60% of the full survivors' compensation (NIS 50,004).

## Recipients of scalp ringworm victims' compensation

At the end of 2015 there were 4,463 recipients of the monthly allowance under the Scalp Ringworm Victims Compensation Law (Table 15). One hundred and ninety nine of them received it for the first time that year. The average age of eligible persons (69.9) is quite high due to the period of eligibility stipulated by law. Unlike most benefits paid by the Disability Branch, most recipients of this allowance (about 61%) are women, apparently due to greater self-consciousness about the side-effects and their higher rate of surviving the illness compared with men.

Most (about 62%) recipients of the monthly allowance suffer from skin damage and have a low degree of disability, about 16% have internal impairments and a higher degree

Table 15

Scalp Ringworm Victims Receiving a Monthly Allowance, by Age and Sex (Absolute Numbers and Percentages), December 2015

		Age (Percentages)				
		Total	59-50	64-60	69-65	70 and above
Total	Absolute numbers	4,463	81	875	1,505	2,002
	Percentages	100	100	100	100	100
Men		39.0	30.9	34.5	37.9	42.1
Women		61.0	69.1	65.5	62.1	57.9

of disability (usually these are seriously ill cancer patients) (Table 16). Apart from the differences in degree of disability defined in the law, there are probably also differences in life expectancy between these patients.

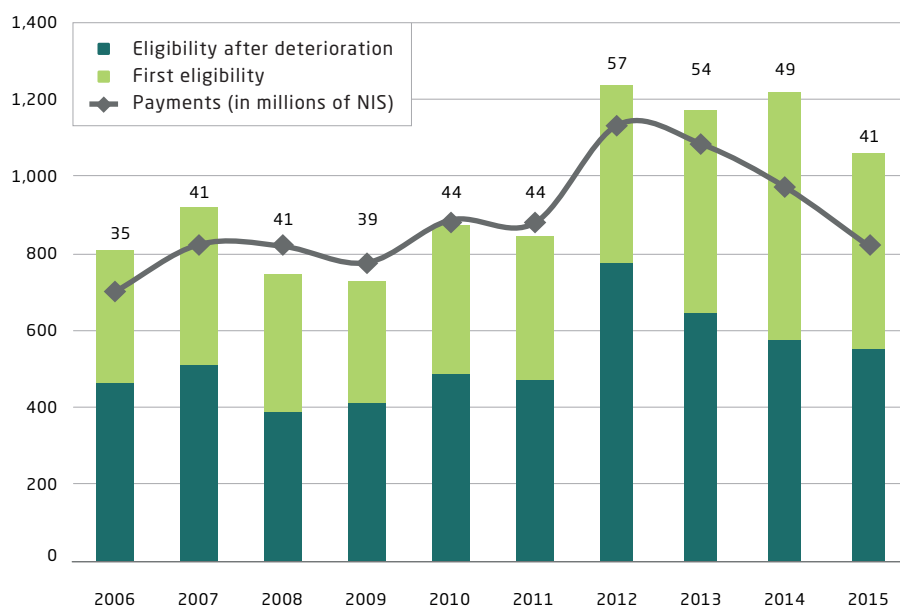
Table 16

Scalp Ringworm Victims Receiving a Monthly Allowance, by Degree of Medical Disability and Impairment Granting Eligibility<sup>34</sup> (Absolute Numbers and Percentages), December 2015

Impairment granting eligibility		Total		Medical disability (%)			
		Absolute numbers	%	49-40	59-50	79-60	100-80
Total	Absolute numbers	4,463		1,851	933	1,061	618
	Percentages	100	100	100	100	100	
Skin damage	Skin scars and damage	1,927	44	51.9	50.0	36.7	18.0
	Baldness	816	18	32.6	14.6	6.2	1.6
Internal	Lymph glands	439	10	0.5	7.6	16.3	30.1
	Other	274	6	6.2	6.7	6.7	4.4
Neurological		968	21	8.5	20.5	33.2	43.4
Other		39	1	0.4	0.6	0.9	2.6

Figure 6

Recipients of Grants for Scalp Ringworm Victims and Total Payments, 2006-2015



34 It is important to mention that the impairment granting eligibility is not necessarily the dominant impairment. For example, about 30% of the allowance recipients have a dominant psychological impairment, which is not indicated at all in Table 16.

Figure 6 shows the breakdown of payments to scalp ringworm victims and the number of recipients of compensation, divided according to initial eligibility for compensation and increased eligibility after deterioration of the condition. The payments in the figure are attributed to the year in which they were paid, and anyone for whom a higher rate of medical disability was approved after a repeat claim, is counted as receiving compensation at the new date. From 2012, the number of recipients of compensation for scalp ringworm has increased, because of an increase in the number of people eligible for the first time (mainly in 2012-2013) and a rise in the number of those eligible for increased compensation as a result of deterioration in their medical condition (mainly in 2013-2015). The increase may also be the result of more activity for the full exercise of the rights of scalp ringworm victims.

## 7. Compensation for polio victims

### Main points of the law

Polio (Poliomyelitis) is a disease which affects the motor neurons in the spinal cord, and thus damages nerve fibers and muscles. About half of patients recover completely from the virus, while about half suffer various degrees of handicaps. The Polio Victims Compensation Law was passed by the Knesset in 2007. Anyone who contracted polio within the borders of Israel, or received medical treatment here before the end of 1969<sup>35</sup>, and who has been found by a certified physician on behalf of the NII to be suffering from medical disability or restricted mobility due to the disease or subsequent deterioration (post-polio syndrome<sup>36</sup>), is eligible for compensation. This compensation is financed by the State treasury and is intended to express the State's commitment to the victims.

### Amount of compensation

- **Monthly allowance:** Paid to anyone found to have 20% or more medical disability, according to the degree of disability. The full allowance is 50% of the average wage according to the National Insurance Law – NIS 4,630.

35 Until February 2012 only those who contracted polio in the State of Israel were entitled to compensation.

36 Post-polio syndrome is caused by erosion of the neurons and is characterized by deterioration in muscle activity accompanied by weakness and pains.

- **One-time compensation:** Paid to anyone found to have a degree of permanent medical disability: up to 74% - NIS 60,465; 75%-94% - NIS 120,933; more than 95% - NIS 145,119.
- **Grant instead of allowance:** Paid to anyone found to have a degree of medical disability of less than 20%, pro rata to the degree of disability (out of the full monthly allowance) and multiplied by 70.

In addition to these payments, the State helps to fund medical treatments, medical equipment and devices required by polio victims to lead a normal life and which are not included in the health basket. It is important to note that eligibility for compensation under the law does not detract from rights in other areas of insurance with the NII and does not depend on the eligible parties' age.

## Recipients of polio victims' allowance

In December 2015 the number of recipients of the allowance amounted to 4,232 – almost unchanged since 2014. The stability in the number of recipients can also be seen in the number of first-time recipients – only 35. 73% of recipients receive at least one other benefit from the Disability Branch (Table 3).

Most polio victims contracted the disease in the early days of the State, before the polio vaccine was introduced in 1961. However, a few cases did appear later, apparently in children or adults who were not vaccinated (Table 17). This finding can explain the relatively high average age of allowance recipients – 63.5. The rest are mainly people who contracted the disease outside Israel and were treated here, or who experienced a late attack of the disease, including those who became ill because they were not vaccinated.

Table 17

### Polio Victims Receiving a Monthly Allowance, by Sex and Date of Appearance of the Disease (Absolute Numbers and Percentages), December 2015

Date of appearance of the disease	Total		Sex (%)	
	Absolute numbers	%	Men	Women
<b>Total</b>	<b>Absolute numbers</b>	<b>4,232</b>	<b>2,353</b>	<b>1,879</b>
	<b>Percentages</b>	<b>100</b>	<b>100</b>	<b>100</b>
Before the establishment of the State	427	10.1	9.4	11.0
1948-1959	3,124	73.8	72.2	75.9
1960-1969	400	9.5	11.0	7.6
1970-1979	163	3.8	4.5	3.0
1980 till today	118	2.8	3.0	2.5

Table 18

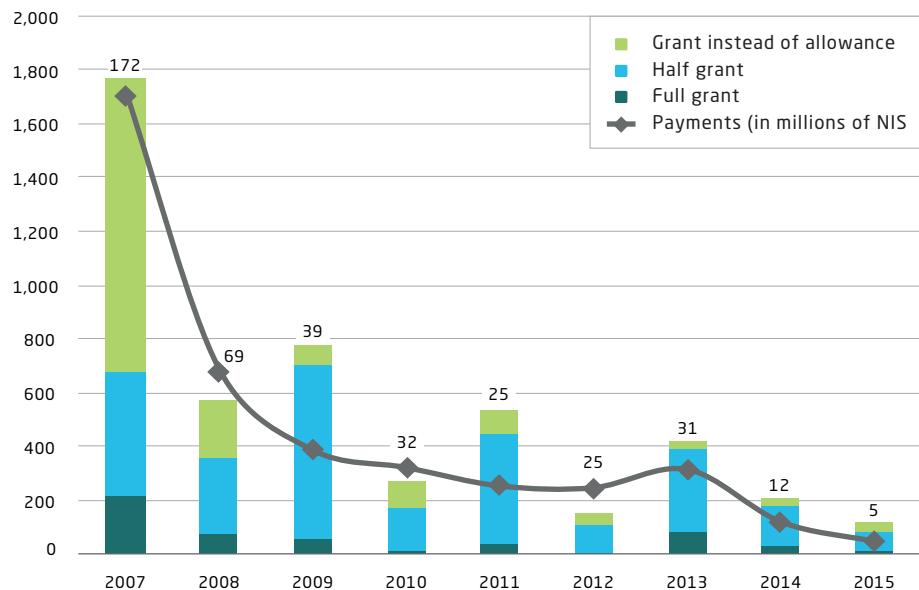
### Polio Victims Receiving a Monthly Allowance, by Impairment Granting Eligibility and Degree of Medical Disability (Absolute Numbers and Percentages), December 2015

Impairment granting eligibility	Total		Medical disability (percentages)					
	Absolute numbers	%	49-20	59-50	69-60	79-70	89-80	100-90
<b>Total</b>	<b>Absolute numbers</b>	<b>4,232</b>	<b>962</b>	<b>479</b>	<b>287</b>	<b>178</b>	<b>1,337</b>	<b>989</b>
	<b>Percentages</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Cranial nerve disorders	718	17.0	11.3	12.7	14.6	15.7	12.2	31.8
Limb nerve paralysis	1,041	24.6	65.0	26.7	48.1	37.6	4.9	1.7
Bone diseases and damage	365	8.6	15.9	8.6	11.9	7.9	4.9	5.9
Post-polio	2,108	49.8	7.8	52.0	25.4	38.8	78.0	60.6

About half the recipients of the monthly allowance suffer from post-polio syndrome, which can appear up to 45 years after infection with the virus. The percentage of people with a high degree of medical disability who suffer from disorders of the cranial (skull) nerves and post-polio syndrome is higher than the percentage of those suffering from limb paralysis and bone damage (Table 18).

Figure 7

### Recipients of Grants for Polio Victims and Total Payments, 2007-2015



\* Those found to have a higher degree of medical disability after they submitted a repeat claim were counted as entitled to compensation at the time of the updated eligibility.

Since the Polio Victims Compensation Law came into force, grant payments to victims have decreased every year (Figure 7). It is worth noting the gap between the percentage of victims who receive both monthly allowance and one-time grant (about 90% of all recipients) and the percentage of scalp ringworm victims who receive both payments (about 23% of all recipients) – apparently because of the generous conditions of eligibility under the Polio Law.

## 8. Total payments

In 2015, the Disability branch paid benefits amounting to about NIS 13.6 billion – a real increase of 5% compared to the amount paid in 2014. The main increase arises from changes in eligibility tests and conditions of eligibility for special service allowances and disabled child benefits. The breakdown of expenditure by type of payment shows that the relative weight of payments for disability pensions and rehabilitation continued to fall in 2015, amounting to about 64% of branch expenditure (Table 19). Total payments in 2015 for scalp ringworm victims was about NIS 130 million, and for polio victims about NIS 170 million – a real decrease compared with previous years, which arises from the decrease in expenditure on grants. The weight of Disability branch benefit payments as a percentage of all NII benefit payments remained stable at a level of 18.7% (Table 20).

In general, despite the real increase in benefits, in 2015 the trend of erosion of disability benefits (general disability, special service allowance and disabled child) continued compared to the average wage in the economy – a result of differences between mechanisms for updating benefits and growth in wages.

Table 19  
General Disability Branch Payments, by Type of Payment  
(Percentages), 2011-2015

Year	Total	Disability and rehabilitation	Special services	Disabled child	Mobility
2011	100	69.3	9.9	8.5	11.6
2012	100	67.8	10.3	9.2	12.0
2013	100	66.8	10.8	9.9	11.6
2014	100	66.1	11.3	10.4	11.3
2015	100	63.9	12.3	12.0	11.1

Table 20  
**General Disability Branch Payments as a Percentage of All National Insurance Benefits, 2011-2015**

Year	General disability branch payments		Branch benefit payments as a percentage of total benefit payments
	Millions of NIS (2015 prices)	Real annual growth rate (%)	
2011	11,154,385	0.7	18.4
2012	11,815,633	5.9	17.8
2013	12,231,262	3.2	18.7
2014	12,955,314	5.9	18.6
2015	13,598,173	5.0	18.7

The amount of the average disability pension (including the additional monthly allowance) is affected by many variables: (a) percentage of recipients eligible for the full benefit; (b) percentage who are eligible for an increment for their dependents; (c) percentage who have income from work or income not from work; (d) percentage who receive an encouragement allowance. In 2015 the average pension was NIS 2,862 per month, which is approximately 30.6% of the average wage, compared with 31.3% thereof in 2014 (Table 21).

The average special services allowance (including the additional monthly allowance) in 2015 was NIS 2,509 (Table 22). The increase in the amount of the average allowance was mainly a result of the increment given to eligible persons at the two high levels, after the increase in the minimum wage. However, as a percentage of the average wage the allowance did not increase, but even decreased slightly.

The size of the average disabled child benefit (including the additional allowance) was influenced by three changes occurring in recent years: (a) combination of the increment for studies and living expenses (on the recommendation of the Or-Noi Committee), and payment of the study increment to all benefit recipients<sup>37</sup>; (b) increase in the number

Table 21  
**Average Monthly Disability Pension (Current Prices, Fixed Prices and as a Percentage of the Average Wage), 2011-2015**

Year	Current prices (NIS)	2015 prices (NIS)	As a percentage of average wage
2011	2,710	2,794	31.6
2012	2,774	2,812	31.6
2013	2,807	2,803	31.2
2014	2,867	2,849	31.3
2015	2,862	2,862	30.6

37 Children who were over 14 before the new regulations came into force are still entitled to the separate increment for studies and for living expenses paid until then.



Table 22

**Average Monthly Special Service Allowance Benefit (Current Prices, Fixed Prices and as a Percentage of the Average Wage), 2011-2015**

Year	Current prices (NIS)	2015 prices (NIS)	As a percentage of average wage
2011	2,383	2,456	27.8
2012	2,449	2,483	27.9
2013	2,482	2,478	27.6
2014	2,464	2,449	26.9
2015	2,509	2,509	26.8

of benefit recipients who are completely dependent on others; (c) sharp increase in the number of benefit recipients who need supervision. In 2015 the amount of the average benefit payment was NIS 2,549 – a real increase of 6.3% compared with 2014 (Table 23). This increase is also explained by the increment paid to children who are entirely dependent on others, as a result of the increase in the minimum wage.

In 2015 the average mobility allowance was NIS 2,152 per month, which was 22.8% of the average wage, compared with 23.4% thereof in 2014 (Table 24). The average allowance for scalp ringworm victims was NIS 1,351 – a real increase of about 5% over 2014, and for polio victims it was NIS 3,282 per month – a real increase of about 4%.

Table 23

**Average Monthly Disabled Child Benefit (Current Prices, Fixed Prices and as a Percentage of the Average Wage), 2011-2015**

Year	Current prices (NIS)	2015 prices (NIS)	As a percentage of average wage
2011	2,266	2,336	26.5
2012	2,414	2,447	27.5
2013	2,439	2,435	27.1
2014	2,414	2,399	26.4
2015	2,549	2,549	27.1

Table 24

**Average Monthly Mobility Allowance (Current Prices, Fixed Prices and as a Percentage of the Average Wage), 2011-2015**

Year	Current prices (NIS)	2015 prices (NIS)	As a percentage of average wage
2011	1,939	1,999	22.7
2012	2,036	2,064	23.1
2013	2,137	2,133	23.1
2014	2,143	2,129	23.4
2015	2,139	2,139	22.8

