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## **INTRODUCTION**

Towards the end of the 2008, two major events occurred which left their mark on the social security system of Israel: the global financial crisis began to be felt in the Israeli economy, and the “Cast Lead War” in southern Israel demanded special attention and preparedness on the part of the National Insurance Institute.

The financial crisis, with its accompanying layoff of many workers, particularly in the high-tech sector, led to discussions on ways to improve the duration and amounts of unemployment benefits. These proposals are not included in the present report for 2008, but will be reflected in the report for 2009. The war in southern Israel, as well as the ongoing rocket attacks and mortar shelling on this area, led the National Insurance Institute to provide special assistance to residents of the south and to guarantee them essential services by a variety of means such as: a special phone line, allowing residents to receive services at any one of the NII local branches, assistance to the injured and to families of those killed, and easing conditions for payment of the unemployment benefit.

This report includes a separate review of the various improvements in client service, a top priority for the Institute.

The scope of changes that came into effect in the Israeli social security system in 2008 reflects the overall improvement in the Israeli economy, after the stagnation – or even, at times, worsening of conditions – that had characterized the social security system in recent years.

The scope of the population eligible for benefits was widened in 2008: orphans both of whose parents were killed in a terror act may now receive benefits up to the age of 37, rather than only up to age 21, as previously, and single parents may now be entitled to income support benefit even if they are studying in an educational institution.

Other changes in the income support system eased conditions of entitlement to benefit: a newly self-employed person in the process of setting up a small business is no longer required to report to the employment service (labor exchange) in order to qualify for benefit, a person who moves and lives far from the nearest occupation center is no longer required to participate in the Welfare-to-Work program (but rather is referred to the nearest employment service), and a first-time pilgrimage to Mecca is now considered to be a justified absence for purposes of entitlement to benefit.

Benefits were raised in a number of branches: pensions were raised in the Old-age and Survivors branch, and by a higher rate for those aged 80 or over, and the level of income not taken into account for income supplement to the elderly was raised as well. In the Hostile Action Casualties branch, orphans both of whose parents were killed in a terror act became entitled to higher benefits, as well as to new benefits not previously offered in this branch. Finally, in the Reserve Service branch, the monthly reservist’s benefit has been increased in a number of ways.

A number of changes in the system were introduced in 2008 to improve administrative procedures: a person with disabilities now has a longer period during which he may

choose between a pension from the National Insurance Institute and a benefit from the Ministry of Defense – even if the former had already determined a permanent disability degree for him, and women who work in the public sector are automatically paid the maternity allowance to which they are entitled after they give birth, without them having to submit a claim.

The report includes a chapter on the Rehabilitation Bureau, whose task is to provide vocational rehabilitation services to various population groups, such as the work injured, disabled and widows. This task has been compounded in recent years with the growing number of civilian victims of terrorist acts, provided with all-round assistance by the Bureau staff.

Aside from the granting of benefits and the provision of vocational rehabilitation, the National Insurance Institute allots a significant share of its budget each year to a number of Funds, responsible for developing services for various groups in the community. For example, the NII sponsors a wide range of *demonstration projects*, which set up services new in content, in method of operation or in target population. These projects are aimed at improving and expanding the variety of community services available to the Institute's beneficiaries, such as: senior citizens, families, mothers, children and youth, the disabled, widows, orphans, the unemployed and military reservists. About 250 demonstration projects were in operation in 2008 alone, and the new ones are briefly described in the chapter on the *Fund for Demonstration Projects*.

Other Funds are devoted to services for the disabled (such as in the occupational, social and housing areas), described in a separate chapter on the *Fund for the Development of Services for the Disabled* – in which the goals and scope of the Fund are outlined, and the main types of services it has developed are briefly reviewed – long-term care services for the elderly (such as day centers and beds in institutions), activities aimed at work safety and the prevention of work accidents, and services for children and youth exposed to neglect, poverty or abuse, described in chapters on the *Fund for Development of Long-Term Care Services*, the *Fund for Activities of Safety and Hygiene in the Workplace* and the *Fund for Development of Services for Children at Risk*.

As in previous reports, this report also includes information on international Conventions, both bilateral and multilateral, to which Israel is signatory, along with various Western European countries. Israel is in the process of negotiations with additional countries in order to expand the scope of international cooperation by means of such Conventions.

The report includes a chapter on the *Counseling Service for the Elderly*, a professional service operating in all local branches of the NII, providing counseling and support to the elderly by means of elderly volunteers, and offering assistance to new retirees as well.

Changes covered in the chapter on *Future Changes* include the increase in all social security benefits due to the COLA (cost-of-living allowance), an increase in the rates of the attendance allowance and a comprehensive reform in disability insurance.

## **GENERAL**

### Adjustment of benefits

As of January 2008, all national insurance benefits are adjusted by 2.8%, according to the rate of the rise in the Consumer Price Index in 2007. In addition, the 4% reduction that was previously made in the payment of certain benefits – income support, unemployment, work injury, grant following decease and bankruptcy – have been canceled.

## **CLIENT SERVICE**

In 2008, the National Insurance Institute of Israel (NII) continued its efforts to improve its service to the public, with the aim of reducing the number of visitors to the local branches, enabling faster and more thorough responses to those clients who still visit the branches and promoting take-up of rights in the various social security schemes. There are now 120 kiosks (self-service stations, offering a wide variety of authorizations and forms) dispersed all over the country, outside local branches as well as in municipality buildings, operating beyond reception hours – almost 24 hours a day.

One centralized nationwide *call center* operates in Israel, together with two support centers. The center may be reached almost 24 hours a day, and it provides both general and personal information to callers. The secret code necessary for the latter has been distributed to most of the population and is available to all upon request. It is possible to pay insurance contributions through the *call centers*, by means of credit cards.

This year the NII web site underwent improvements to provide better services and more information to the public. Clients are able to pay insurance contributions through the Internet, and since August 2008 have been able to make personal status inquiries through the site, after obtaining a personal secret code number from the local NII branch. This is in addition to the “contact us” channel, through which general questions may be asked, with the provision of one’s ID number only.

A recent addition to the site – which is accessible to persons with disabilities (level 2) – is the “social policy” folder, which contains statistical data and policy papers, as well as links to external social institutions.

It should be noted that the site in English is being constantly updated, and contains press releases and information on rates of benefits, rules of entitlement, and more. The site in Arabic has been operative since 2007, and includes 40 bilingual claim forms available for downloading. The site is currently being translated into the Russian language as well, and the site in Russian is expected to be ready by 2009. (The NII address on the internet: <http://www.btl.gov.il>.)

The National Insurance Institute, led by Director General Esther Domimissini, is presently promoting a new service perception, aimed at providing a new and vastly improved service experience to its clients, by offering service that is speedy, easily accessible and efficient. The new perception is based upon a separation between physical contact with clients and professional decision-making. This separation will be carried out by means of *service centers* at which the public will receive answers to all enquiries, while staff at *decision centers* will focus on making professional decisions on every application.

The implementation of the new service perception will take place in stages, with the first stage to be implemented in April 2008 in six local branches.

## OLD-AGE AND SURVIVORS

### Retirement age and age of entitlement to old-age pension – 2008

In accordance with the process of the gradual increase in the retirement age and in the age of entitlement to old-age pension for men and for women, in January 2008 these ages have been raised to the following:

The retirement age for men – the age at which men may be entitled to an old-age pension, subject to a means test – is 66 and 8 months. Men's absolute age of entitlement to pension remains 70.

The retirement age for women is 61 and 8 months, and their absolute age of entitlement to pension is 66 and 8 months.

### Increase in income not taken into account for purposes of income supplement

Amendment 31 to the Income Support Law has increased the rate of income from work and from pension not taken into account (disregard) for purposes of entitlement to income supplement, for persons who have reached retirement age and receive an old-age, survivors, or dependents' pension.

Under this change, in effect as of March 2008, the total share of income from work not taken into account for such persons is up to 20% for a single person and 24% for a couple, while this share of income from pension was raised to up to 20.5% for a couple (the share of income from pension not taken into account for a single person remains the same).

### Rise in old-age and survivors' pensions

In April 2008 the old-age and survivors' pensions paid to the elderly population were raised – from 16.2% to 16.5% of the basic amount for a single person. Needy elderly aged 80 and over receive an additional NIS 200 to their monthly pension, on average. The policy of raising the old-age and survivors' pensions, and by a higher rate to the needy elderly, is expected to continue in the years 2009 and 2010.

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The number of recipients of old-age and survivors' pension increased in 2008 by 0.9%, to 735,800 recipients as a monthly average.

The old-age and survivors' pension rates for 2008, basic and including income supplement, are shown in the following table.

**Old-Age and Survivors' Pension Rates**  
2008(NIS)<sup>1</sup>

<b>Old-Age</b>	<i>Adult</i>	<i>Adult with one child</i>	<i>Adult with two or more children</i>	<i>Couple without children</i>	<i>Couple with one child</i>	<i>Couple with two or more children</i>
<i>- basic</i>						
January-March	1,191	1,566	1,941	1,787	2,162	2,537
April-December	1,213	1,595	1,977	1,823	2,205	2,587
<i>- with income supplement (under 80)</i>						
January-March	2,242	3,561	4,356	3,320	4,114	4,909
April-December	2,265	3,600	4,394	3,359	4,154	4,948
<i>- with income supplement (80+)</i>						
April-December	2,422	3,828	4,623	3,588	4,382	5,177

<b>Survivors</b>	<i>Young widow/er</i>	<i>Widow/er</i>	<i>Widow/er with one child</i>	<i>Widow/er with two children</i>	<i>Orphan</i>	<i>Two orphans</i>
<i>- basic</i>						
January-March	897	1,191	1,750	2,309		
April-December	912	1,213	1,779	2,345		
<i>- with income supplement (under 80)</i>						
January-March		2,242	3,561	4,356		
April-December		2,265	3,600	4,394		
<i>- with income supplement (80+)</i>						
April-December	2,422		3,828	4,623	1,686	2,453

<sup>1</sup> The rates in this and all other tables are given in Israeli new shekels. In 2008 the average exchange rate was approximately \$1 = NIS 3.75.

## LONG-TERM CARE

Under Long-Term Care Insurance, a personal benefit is provided to elderly persons living at home (not in nursing homes) who are dependent to a large extent on the help of others for the performance of everyday functions or are in need of supervision.

The benefit consists of long-term services from a *basket of services* that includes: assistance of caregivers in the performance of everyday functions and household management, care in day centers for the elderly, absorbent undergarments, personal alarm units, laundry services and meals on wheels.

The benefit is paid to the organization that provides the long-term care services and not to the entitled person.

No major changes in Long-Term Care Insurance came into effect in 2008.

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The number of recipients of long-term care benefits rose in 2008 by about 4.9%, reaching about 131,500 recipients as a monthly average.

The long-term care benefit rates for 2008 are shown below.

### Long-Term Care Benefit Rates 2008 (NIS)<sup>1</sup>

<i>Partially dependent</i>				<i>Very dependent</i>				<i>Fully dependent</i>			
<i>Eligible for full benefit</i>		<i>Eligible for half benefit<sup>2</sup></i>		<i>Eligible for full benefit</i>		<i>Eligible for half benefit<sup>2</sup></i>		<i>Eligible for full benefit</i>		<i>Eligible for half benefit<sup>2</sup></i>	
<i>services</i>	<i>cash</i>	<i>services</i>	<i>cash</i>	<i>services</i>	<i>cash</i>	<i>services</i>	<i>cash</i>	<i>services</i>	<i>cash</i>	<i>services</i>	<i>cash</i>
1,694	1,355	847	678	2,792	2,234	1,396	1,117	3,126	2,501	1,563	1,251

<sup>1</sup> The sums that appear here are after the reductions of 4% and 7% in accordance with the Economy Arrangements Law.

<sup>2</sup> 50% reduction as a result of income test.



## **GENERAL DISABILITY**

### Choice between disability pension from the NII and disability benefit from the Ministry of Defense

Under an amendment to article 323 of the National Insurance Law, if a person with disabilities does not submit a claim for benefit under the Disabled Persons (Benefits and Rehabilitation) Law – of the Ministry of Defense – within three years of the day that he submitted a claim for a disability pension under the National Insurance Law, he will be considered as having chosen the latter benefit.

Once a permanent degree of disability is determined under both laws, the person must choose the benefit he wishes to receive – the NII benefit or the IDF (army) benefit – within sixty days. If a permanent degree has not yet been determined under one of the laws, he may change his choice two times.

The amendment is in effect as of February 1, 2008.

Previously, once the National Insurance Institute had determined a permanent degree of disability for the person with disabilities, the Ministry of Defense had consistently deferred his claim for a disability benefit, resulting in the NII having to determine a temporary degree of disability for lengthy periods of time.

### International Persons with Disabilities Day

The local branches of the National Insurance Institute marked the “International Persons with Disabilities Day” that occurred in December 2008 by means of special events and conferences, in which lectures were delivered, shows were offered and exhibitions were held in which disabled persons showed various crafts. Thousands of guests participated in these events.

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In the year 2008 the number of general disability allowance recipients grew by 4.0%, reaching about 194,988 as a monthly average. The number of attendance allowance recipients and recipients of benefit for disabled child rose by 7.2% and 6.1%, respectively.

The general disability benefit and attendance allowance rates for 2008 are shown in the following table.

**General Disability Benefit and Attendance Allowance Rates**  
**2008 (NIS)<sup>1</sup>**

	<i>Individual</i>	<i>Couple</i>	<i>Couple with child<sup>2</sup></i>
<b>General Disability</b>	1,991	2,986	3,782
	<i>For performing most daily tasks most hours of the day</i>	<i>For performing all daily tasks most hours of the day</i>	<i>For performing all daily tasks all hours of the day</i>
<b>Attendance Allowance</b>	931	1,861	2,792

<sup>1</sup> The rates that appear here are of benefits to disabled persons with 100% disability. Benefits to persons with a lower degree of disability are percentages of the full benefit, according to the degree of disability.

<sup>2</sup> The increment is paid for each of the first two children only.

## **MOBILITY**

Persons aged over 3 but not over the *retirement age*, as determined in law for men, who are disabled in their lower limbs (according to a specified list of impairments) are eligible for a mobility benefit, provided under the Mobility Agreement with the Ministry of Finance and paid by means of the National Insurance Institute.

The Mobility Agreement provides to persons disabled in their lower limbs – those having a driving license whose degree of mobility limitation is at least 40% and those without a driving license whose degree of mobility limitation is over 60% – the following main benefits:

- a standing loan to cover the taxes on a car;
- a monthly mobility allowance to help cover mobility expenses.

No major changes in the Mobility Agreement came into effect in 2008.

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The number of recipients of mobility allowance grew in 2008 by 5.9%.

## INCOME SUPPORT

### New small businesses

One of the basic conditions of entitlement to an income support benefit (for all persons, including the self-employed) is the *employment test*; that is, the claimant must register at the local labor exchange as a job-seeker or cooperate with the local occupation center.

In recent years, various social organizations, working together with the local authorities, have been developing projects aimed at integrating persons into the labor market. Some of these projects focus on assistance in setting up small businesses.

Experience has shown that the process of setting up a small business necessitates many work hours, but yields relatively low profits.

The present procedure, under which newly self-employed persons are obligated to undergo the *employment test* when claiming income support, therefore constitutes an obstacle to the setting up of small businesses.

It was thus decided to institute a new procedure under which a person in the process of setting up a new business is exempt from the *employment test*. (However, veteran self-employed persons who encounter economic difficulties are still obligated to undergo the *employment test*.)

This procedure applies only to claimants who participate in a special small business assistance program (under the auspices of a local authority or social organization) or who have a professional guide who assists them in setting up the business. The procedure is presently operating in a two-year trial period, beginning in March 2008.

### Amendment to the Welfare-to-Work Law

In July 2008, the Knesset authorized a new amendment to the experimental Welfare-to-Work (Integration of Benefit Recipients into Work) Law, under which if a person moves into a new area to which the program does not apply, and the distance between his new residence and the closest occupation center is over 60 km, he will be exempt from participating in the program, and will be referred to the employment service.

A person who moves into a new area to which the program does not apply, and the distance between his new residence and the closest occupation center is between 40 and 60 km, will be free to choose between the close occupation center or the original center.

The amendment is in effect retroactively from June 2008.

Single parent in educational institution

Under Amendment 33 to the Income Support Law, as of September 2008, a single parent may be entitled to an income support benefit even if he is a student in an educational institution.

The amendment applies to single parents who have been receiving the income support benefit for at least 16 out of the 20 months preceding the month in which they began studying at the educational institution. It does not apply to single parents who are enrolled in a program to acquire a second or third academic degree.

The income support benefit shall be paid during the period of study for up to 36 months.

Previous to the change, all students in educational institutions, if the studies last for over 12 months, were ineligible for income support benefit.

The purpose of the change is to assist single parents to acquire a suitable education, to become integrated in the labor market and to earn a wage that would release them from dependence on income support.

Pilgrimage to Mecca

The annual Hajj pilgrimage to Mecca is a Moslem religious tradition, under which Moslems are commanded to travel to Mecca at least once during their lifetimes, during the Eid al-Adha holiday.

Under a decision of the national labor court, it was determined that a person making the trip to Mecca for the Hajj for the first time in his life and for a period of up to 23 days will not be denied the income support benefit for that reason; that is, his absence from Israel due to this pilgrimage will be considered as a “justified absence” for purposes of entitlement to the benefit.

The new instructions are in effect as of November 2008.

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The number of families receiving income support benefits decreased by 3.8% in 2008, down to about 109,572 recipients as a monthly average.

The income support benefit rates for 2008 are shown in the following table.

**Income Support Benefit Rates<sup>1</sup>**  
2008 (NIS)

Family composition	Under age 55		Aged 55 or over
	Regular rate <sup>2</sup>	Increased rate <sup>3</sup>	
<i>Individual</i>	1,470	1,654	1,838
<i>Individual with 1 child<sup>4</sup></i>	2,206	2,463	2,605
<i>Individual with 2 or more children<sup>4</sup></i>	2,463	2,757	3,046
<i>Couple</i>	2,022	2,206	2,757
<i>Couple with 1 child</i>	2,206	2,463	3,198
<i>Couple with 2 or more children</i>	2,463	2,867	3,639
<i>Single parent with 1 child</i>	2,463	2,463	2,973
<i>Single parent with 2 or more children</i>	2,867	2,867	3,708

<sup>1</sup> As of July 2002, the actual sum of this benefit received by beneficiaries was reduced by 4%, in accordance with the Economy Arrangements Law.

<sup>2</sup> Paid to persons who had been entitled to the regular rate of the benefit in December 2002 or who began receiving the benefit in January 2003.

<sup>3</sup> Paid to persons who had been entitled to the increased rate of benefit in December 2002.

<sup>4</sup> Not defined as a single parent in the Single-Parent Families Law.

## **MAINTENANCE**

The Maintenance-Guarantee of Payment Law, which came into effect in 1972, aims at guaranteeing means of subsistence to a woman who possesses a judgment for maintenance, and to her children, regardless of her capacity to enforce this judgment. When the husband obligated does not voluntarily comply with the judgment and does not pay the woman the maintenance to which she is entitled according to the judgment, the law enables the woman to turn to the National Insurance Institute in order that the Institute enforce the judgment; that is, pay an maintenance benefit to the woman and in parallel, collect this money from the person obligated by means of enforcement procedures.

The payment is granted to the woman for as long as the husband is obligated to pay her maintenance. The rate of the payment is as determined in the judgment or under the regulations (of the Maintenance-Guarantee of Payment Law) – whichever is the lower rate. With the NII guaranteeing to pay the woman and her children the maintenance to which she is entitled, it also takes upon itself all that is involved in collecting the amount specified in the judgment. Therefore, only a woman who does not take steps to enforce the judgment on her own or who ceases enforcement procedures before she applies to the NII is entitled to payments.

No major changes in Maintenance Insurance came into effect in 2008.

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In 2008 an average of 20,784 women received maintenance benefits from the National Insurance Institute every month.

The maintenance rates for 2008 are shown in the following table.

**Maintenance Rates**  
2008 (NIS)

<b>Family composition</b>	<i>Woman under 55</i>	<i>Woman aged 55 or over</i>
<i>Single woman without children</i>		
<i>Previously entitled<sup>1</sup></i>	1654	
<i>Newly entitled<sup>2</sup></i>	1,470	1,838
<i>Single woman with children</i>		
<i>With one child</i>	2,463	2,973
<i>With 2 or more children</i>	2,867	3,708
<i>Woman who remarried</i>		
<i>With one child</i>	1,686	1,686
<i>With 2 or more children</i>	2,453	2,453
<i>Children alone</i>		
<i>One child alone</i>	1,686	
<i>2 children alone</i>	2,453	
<i>Each additional child</i>	735	

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<sup>1</sup> Entitled to maintenance before January 1, 2003.

<sup>2</sup> Entitled to maintenance as of January 1, 2003.



## CHILDREN

Under Children Insurance, a monthly child allowance is paid to every family with children up to the age of 18 living in Israel. The rate of the allowance paid to families is according to the number of children in the family and linked to the value of the credit point (as defined in the Income Tax Order).

Large families who receive a subsistence benefit from the NII receive an increment to their allowance for the third and fourth children in the family. In addition, a study grant is paid for every child between the ages of 6 and 14 in single-parent families and other needy families, at the beginning of every school year.

No major changes in Children Insurance came into effect in 2008.

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 In 2008, the number of families receiving child allowance grew by 1.4%, and about 995,000 families (as a monthly average) receive allowances for about 2.4 million children.

The child allowance rates for 2008 are shown below.

### Child Allowance Rates (per family)<sup>1</sup> 2008 (NIS)

	<i>One child</i>	<i>Two children</i>	<i>Three children</i>	<i>Four children</i>	<i>Five children</i>	<i>Six children</i>
	152	304	486	823	1,160	1,497

<sup>1</sup> The rates are for children born before June 1, 2003. A uniform sum of NIS 152 per month is paid for every child born on that date or thereafter, regardless of his place in the family.

## MATERNITY

### Continued campaign for automatic payment of maternity allowance

The National Insurance Institute began paying maternity allowance automatically to women who work in the public sector, as well as differentials to those women who received wage differentials retroactively after they gave birth. Therefore, such women do have to submit a claim for maternity allowance when they give birth.

The maternity allowance payments are made directly to the bank account to which the child allowance is paid, and if it is a first birth – to the bank account indicated on the forms submitted to the hospital.

The NII already pays maternity allowance automatically to workers in various sectors and companies, such as banks, Intel, Bezek and Pelephone.

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 The number of recipients of the hospitalization grant went up by about 3.4% and the maternity allowance by about 8.8% in 2008.

The rates of the various maternity benefits for 2008 are shown in the following table.

### Maternity Insurance Benefit Rates 2008 (NIS)

<b>Month</b>	<i>Hospital- ization grant</i>	<i>Maternity grant (for the first child)</i>	<i>Average (actual) daily maternity allowance</i>
<i>January</i>	8,029	1,489	195.6
<i>February</i>	8,029	1,489	197.3
<i>March</i>	8,029	1,489	202.3
<i>April</i>	8,029	1,489	203.4
<i>May</i>	8,029	1,489	206.8
<i>June</i>	8,029	1,489	212.0
<i>July</i>	8,029	1,489	215.2
<i>August</i>	8,283	1,489	216.6
<i>September</i>	8,283	1,489	210.7
<i>October</i>	8,283	1,489	210.8
<i>November</i>	8,283	1,489	212.1
<i>December</i>	8,283	1,489	211.2

## WORK INJURY

Under the National Insurance (Work Injuries) Law, all workers are insured against the risk of work accidents and occupational diseases.

It is compulsory for all employers to insure their employees (except for policemen, jailers, and defense employees) against the above risks. Such employees include those regularly or temporarily employed, for daily or monthly wages, full-time and part-time workers.

All employees working in Israel – as well as the self-employed – are insured, regardless of the age or nationality of the workers.

Upon the death of an insured person who suffered a work injury (work accident or occupational disease), his relatives – widow/widower, orphans, parents and any other relatives (hereinafter dependants) are entitled to work injury benefits.

No major changes in Work Injury Insurance took place in 2008.

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 In 2008, the number of recipients of work injury allowance increased by 3.1%. The number of recipients of permanent disability benefit (out of total work injured) grew by about 5.2%, while the number of recipients of dependents' benefit increased slightly – by 0.8%.

The maximum rates in 2008 for daily work injury allowance and monthly work disability benefit are shown below.

### **Maximum Work Injury Allowance and Work Disability Benefit Rates** **2008 (NIS)**

<i>Daily work injury<sup>1</sup></i>		<i>Monthly work disability</i>	
<i>Employees<sup>2</sup></i>	<i>Self-employed and employees<sup>3</sup></i>	<i>Employees<sup>2</sup></i>	<i>Self-employed and employees<sup>3</sup></i>
558	930	16,474	27,911

<sup>1</sup> As of July 2002, the actual sum of this benefit was reduced by 4% in accordance with the Economy Arrangements Law.

<sup>2</sup> Employees injured before January 1, 1995.

<sup>3</sup> Employees injured after January 1, 1995.

## **PRISONERS OF ZION**

Under the Law of Benefits for Prisoners of Zion and their Families-1992, a resident citizen of Israel, recognized as a Prisoner of Zion by the competent authority in the Ministry of Absorption, is entitled to benefit from the National Insurance Institute.

Non-disabled Prisoners of Zion are also eligible for benefit, conditional on an income test. Furthermore, disabled Prisoners of Zion are eligible for an additional income-based benefit, in addition to their regular, basic benefit.

Disabled Prisoners of Zion are also entitled to in-kind benefits including medical care and vocational rehabilitation.

Relatives of Prisoners of Zion who are in jail, or who have passed away, may be entitled to various benefits.

No major changes in the Law took effect in 2008.

## **HOSTILE ACTION CASUALTIES**

### Cancellation of means test for bereaved parents

Under Amendment 28 to the Law of Families of Soldiers Killed in Action Law, which came into effect on January 1, 2008, the means test previously required for calculation of benefits to bereaved parents was canceled. This change affects not only bereaved parents of soldiers, but also bereaved parents of civilians killed in hostile actions.

As of this date, bereaved parents receive the maximum benefit according to their family composition, regardless of their income, just as do widows and widowers.

### Benefits for orphans both of whom parents were killed in a hostile action

As of December 1, 2008, the benefit for orphans both of whose parents were killed in a hostile action has been anchored in law.

Furthermore, such orphans may now receive a monthly benefit until they reach age 37, rather than only age 21, as previously, and the amount of benefit has been raised: to 106.9% of the salary of a civil servant in the administrative scale (about NIS 3,737 in November 2008) for orphans up to age 27, and to 80% of this amount (about NIS 2,990 in November 2008) to orphans from age 27 to 37.

In addition, every orphan up to age 37 now receives a new lump-sum grant to the amount of NIS 83,600.

Orphans who did not yet reach age 21 on the day that the law came into effect now receive a mobility grant to the amount of NIS 26,000.

When an orphan up to age 37 marries, he is now entitled to a marriage grant by virtue of each of his parents who was killed in the hostile action; that is, a double grant. Previously, such an orphan had been entitled to the marriage grant by virtue of one parent alone, and only up to age 30.

An orphan up to age 37 who, at the time of the hostile action in which both his parents were killed had been married for up to 24 months, is now entitled to a marriage grant at the rate of 80% of the above-mentioned marriage grant, by virtue of both parents.

It should be noted that an orphan both of whose parents were killed in a hostile action must choose between the monthly benefit and the rehabilitation benefit paid for vocational training or academic studies.

All the above changes apply to orphans both of whose parents were killed in a hostile action on October 1, 2000 or thereafter.

## RESERVE SERVICE

### Improvement in reservist's benefit

A new Reserve Service Law passed by the Knesset in April 2008 led to several changes in the National Insurance Law regarding the reservists' benefit paid by the National Insurance Institute.

The rate of benefit paid to employees and to self-employed has been increased due to a change in the formula for calculation of benefit.

Persons who are not working, such as unemployed persons and students, receive the minimum benefit for every day of service. This minimum benefit has been raised.

National and health insurance contributions are no longer deducted from the reservist's benefit.

Furthermore, the reservist benefit is paid for every day of reserve service, even if the income of the reservist was not affected by the service, and a new term, *half-day service*, was coined, for up to six hours of reserve duty in one day.

The changes are in effect regarding persons who began their reserve service in August 2008 or thereafter.

The purpose of the change is to guarantee a more adequate compensation to reservists for their lack of income during the period of their reserve service.

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The minimum and maximum daily reserve service benefit rates for 2008 are shown below.

### **Reserve Service Benefit Rates – Per Day** **2008 (NIS)**

<i>Month</i>	<i>Minimum</i>	<i>Maximum</i>
<i>January- June</i>	123.67	1,225.33
<i>July</i>	128.34	1,225.33
<i>August-December</i>	166.65	1,225.33

## UNEMPLOYMENT

The Unemployment Insurance scheme aims at protecting the standard of living of the involuntarily unemployed worker by means of unemployment benefits, which enable him to search for work suitable to his education, profession and previous income without having to be troubled by immediate financial problems.

Every Israeli resident working as an employee is compulsorily insured within the scheme, from age 18 until the *retirement age* as defined in law for men.

Benefits are paid to Israeli residents who have worked a sufficient period of time previous to their unemployment and who have acquired insurance rights by means of deductions from their wages, on condition that they show readiness to accept alternative work by reporting to the local employment service (labor exchange).

The benefits replace a (decreasing with income) proportion of their income loss, up to a maximum period, varying with the age of the unemployed person and the number of his dependents.

No significant changes in Unemployment Insurance took place in 2008.

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The number of recipients of unemployment benefit decreased in 2008 to a monthly average of about 48,000 recipients. The unemployment benefit rates for 2008 are shown below.

### Unemployment Benefit Rates<sup>1</sup> 2008 (NIS)

Month	Maximum daily benefit to a single person		Demobilized soldier's benefit	
	First period <sup>2</sup>	Second period <sup>3</sup>	Regular work (daily benefit)	Preferred /required work (one-time grant)
January	306.52	204.35	88.76	8,114
July	306.52	204.35	91.00	8,114

<sup>1</sup> As of July 2002, the sums that appear here are after the reduction of 4% in accordance with the Economy Arrangements Law.

<sup>2</sup> During the space of 4 years, benefits are paid for a period of up to 180% of the "maximum period" to which the unemployed person is entitled.

<sup>3</sup> For any additional period of unemployment within the space of 4 years, benefits are paid up to a rate of 85% of the sum to which the unemployed person is entitled.

## **REHABILITATION**

Under the National Insurance Law (Comprehensive Version) – 1968, and Amendment 13 to this law (1974), the right to vocational rehabilitation is granted to work-related injured persons, general disabled persons (disability caused at birth, by an accident or illness) and survivors (widowers, widows and orphans). Under the Benefits to Hostile Action Casualties Law (1974), a basket of services, benefits and rights – including the right to vocational rehabilitation – is granted to injured victims of hostile or terrorist acts and to families of persons killed as a result of such acts.

The vocational rehabilitation services are provided by means of the rehabilitation departments located in all local branches of the NII throughout the country. These departments, staffed by rehabilitation officers who are professional social workers trained in the field of vocational rehabilitation, implement the law and policy determined in the Rehabilitation Bureau at the head office of the NII, while maintaining ongoing contacts with other NII branches, relevant community agencies and public bodies.

The rehabilitation process commences with the location of candidates for vocational rehabilitation, by means of referral from a NII branch or community body, self-referral or “reaching-out” initiatives. Every rehabilitee undergoes diagnosis, after which an individual rehabilitation plan is built for him in accordance with his specific needs and capabilities. In most cases the plan includes a vocational course or completion of academic studies. Upon completion of the plan, the rehabilitee may use placement services or undergo on-the-job training. Most services are purchased by the NII in the open market, while services from segregative frameworks (such as rehabilitation centers) may be acquired for those in need.

The Rehabilitation Bureau cared for about 16,000 rehabilitees in 2008.

In the past decade, special focus has been placed on the accessibility of rehabilitation services and on their adaptability to the needs of the severely disabled. *Support baskets* – including services such as translation into sign language, tutoring and special transportation – were set up to provide “crutches” to rehabilitees with special needs.

Another trend, notable since 2000, is the establishment of a special network of intervention to cope with victims of the growing number of terror acts against the civilian population. During this period, there were over 2,034 such acts, injuring over 16,600 people (many of them children and youth) and leaving about 954 families bereaved. The dramatic rise in the number of injured people over the past year is mainly attributed to the dramatic rise in the number of panic victims as a result of continued incidents in the area surrounding Gaza, as well as late claims submitted in the aftermath of the Second Lebanon War, and isolated terror acts in the course of the year. The Rehabilitation Bureau has set up a special community service for these victims, in which about 300 volunteers work in all areas of the country. In addition, a rehabilitation officer is assigned to and accompanies each victim, beginning with a visit to the hospital or to the home in a condolence call, and continuing with ongoing cash and in-kind assistance in all areas of their lives and throughout their lives. In 2008 the Bureau cared for victims of 229 hostile acts – mostly in the area surrounding Gaza (south of Israel) – in which 32 people were killed and 1,182 injured. In 2008, lessons learned from the Second Lebanon War were implemented, and panic victims were



referred to emotional treatment funded by the National Insurance Institute – whether or not they submitted claims to be recognized as hostile action victims – in order to prevent post-traumatic disorders.

Despite the great burden on the Rehabilitation Bureau as a result of the numerous terror acts, the Bureau continued in 2008 to care for the other entitled population groups as well, by means of vocational rehabilitation plans and take-up of welfare rights, with special emphasis on early intervention and work integration.

## INSURANCE AND COLLECTION OF CONTRIBUTIONS

### “Returning home for Israel’s 60<sup>th</sup>” campaign

On the occasion of the State of Israel’s 60<sup>th</sup> birthday in 2008, the Ministry of Immigrant Absorption is conducting a special national campaign to assist Israelis living abroad who wish to return home.

In the framework of this campaign, the Ministry is offering these returning residents a refund of the special payment made to the National Insurance Institute in order to redeem the waiting period for health services, on the following conditions:

1. The special payment was made between November 1, 2007 and December 30, 2008
2. The person returns to Israel between November 1, 2007 and August 31, 2009.
3. The person is an Israeli citizen defined as a “returning resident” by the National Insurance Institute.

### Continued reduction in rates of insurance contributions

In 2008, the gradual reduction in contributions paid by employers continued, and is expected to continue until 2009.

### Economy Arrangements Law-2008

In the framework of the Economy Arrangements Law for 2008, a number of amendments were made to the National Insurance Law in the area of collection of insurance contributions. These amendments, described briefly as follows, are in effect as of January 1, 2008.

1. Income not from work (*passive income*) is liable for insurance contributions if it is higher than 25% the average wage. (Previously, such income was liable for insurance contributions only if it was lower than one’s income from work (*active income*).
2. Income from a family company is liable for insurance contributions at the end of the year in which the income was earned. (Previously, such income was liable for insurance contributions only at the time that the dividends were actually distributed.)
3. Any additional income that an employee receives during the period for which he receives maternity allowance, injury allowance or a rehabilitation payment, is liable for insurance contributions. (Previously, such income was exempt from insurance contributions.)
4. Income from rent on residential homes abroad is exempt from insurance contributions. (Previously, such income was liable for insurance contributions).

Cancellation of fines and linkage on national insurance contribution debts, without special request

Under an amendment to article 370 of the National Insurance Law, in effect as of July 1, 2008, it is not necessary to submit a special request to cancel fines and linkage differentials on national insurance debts, in all the following cases:

1. The fines and linkage differentials add up to an amount up to 10% of the average wage, and the balance of the debt has been paid.
2. The insured person obligated to pay has passed away.
3. The NII is convinced, on the basis of a medical authorization, that the insured is unable to submit a request due to his health condition.
4. The insured person cares for a sick family member (spouse, parent or child) who needs constant supervision.
5. The insured person is being treated at an drug rehabilitation institution or is in the process of being rehabilitated from drugs

Previous to the change, all persons, without exception, who wished to cancel fines and linkage differentials on their debts were required to submit a written request to the NII, explaining the reasons for their request.

Health insurance for returning residents

Article 58 of the Health Insurance Law has been amended, making conditions easier for returning residents to receive health services upon their return to Israel.

The main changes in the law are as follows:

1. The maximum waiting period for health services is 6 months (rather than 18 months as previously).
2. For every year of absence from Israel there will be a waiting period of one month (rather than two months as previously).
3. The special payment to redeem the waiting period may be paid in one installment, or in a number of equal monthly installments, up to six installments, according to the returning resident's request (rather than only six installments, as previously).
4. Regarding a person who must go abroad during his waiting period for the purpose of medical treatment, his waiting period – including the period abroad – will be shortened.

These changes are in effect as of November 1, 2008.

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The contribution rates for December 2008 for the various insurance branches, in addition to health insurance contributions, are shown in the following table.

**Insurance Contribution Rates**  
**December 2008 (percentages)**

Insurance branch	Employee						Self-employed	
	Total <sup>1</sup>		On employee's account		On employer's account			
	full rate	reduced rate <sup>2</sup>	full rate	reduced rate <sup>2</sup>	full rate	reduced rate <sup>2</sup>	full rate	reduced rate <sup>2</sup>
<i>Old-age and Survivors</i>	5.89	1.67	3.85	0.22	2.04	1.45	5.21	3.09
<i>Long-term Care</i>	0.20	0.06	0.14	0.01	0.06	0.05	0.18	0.12
<i>General Disability</i>	2.28	0.41	1.86	0.11	0.42	0.30	1.86	1.11
<i>Accident Injury</i>	0.09	0.02	0.07	0.01	0.02	0.01	0.08	0.06
<i>Work Injury</i>	0.59	0.41	--	--	0.59	0.41	0.68	0.39
<i>Maternity</i>	1.03	0.16	0.87	0.04	0.16	0.12	0.82	0.56
<i>Children</i>	2.08	1.47	--	--	2.08	1.47	2.40	1.39
<i>Unemployment</i>	0.25	0.04	0.21	0.01	0.04	0.03	--	--
<i>Bankruptcy</i>	0.02	0.01	--	--	0.02	0.01	--	--
<b>Total Insurance Branches</b>	<b>12.43</b>	<b>4.25</b>	<b>7.00</b>	<b>0.40</b>	<b>5.43</b>	<b>3.85</b>	<b>11.23</b>	<b>6.72</b>
<i>Health</i>	5.00	3.10	5.00	3.10	--	--	5.00	3.10
<b>Total Contributions</b>	<b>17.43</b>	<b>7.35</b>	<b>12.00</b>	<b>3.50</b>	<b>5.43</b>	<b>3.85</b>	<b>16.23</b>	<b>9.82</b>

<sup>1</sup> These rates include the share of the employee and the employer in payment of insurance contributions. In addition, the government participates in the financing of the insurance branches instead of the employer and the self-employed at a rate of 0.69%.

<sup>2</sup> On income of up to 60% the average wage.

## COUNSELING SERVICE FOR THE ELDERLY

The Counseling Service for the Elderly was set up in 1972 as a demonstration project of the National Insurance Institute, at the initiative of Mr. Leo Blumensohn. His idea was to have volunteer pensioners support other elderly persons and help them take up their rights at the NII and at other organizations.

The Service began modestly with a handful of volunteers working in three local branches. Over the years it expanded considerably, and today includes thousands of volunteers in all local branches throughout the country.

The Service is a professional one, managed by social workers whose expertise is in the fields of gerontology and volunteerism. Its aim is to provide support and assistance to the elderly living in the community, by means of existing resources. The basic perception underlying its work is that there should be a direct link between the elderly person and the volunteer – *elderly to elderly* – in order that the volunteer be able to reach the elderly person's inner feelings stemming from problems related to old age.

The volunteers are required to undergo a four-month training course, during which he learns about the perception of the Institute he represents, the special needs of the elderly, the changes that occur at this age, and the skills needed in work with the elderly.

The work of the Service includes:

- Preliminary home visits – hundreds of visits are conducted throughout the country to predefined population groups, in accordance with information from NII data banks. Groups targeted for these visits include: recipients of long-term care benefits, persons whose claim for this benefit was deferred, elderly widows, the very old (over 88), etc. In the course of the visits, conducted by specially-trained volunteers, questionnaires are filled out by means of which we may ascertain whether or not the elderly receive proper treatment, and then act accordingly.
- Regular home visits – a continued link to those elderly persons found to be in need. The volunteers assigned to these elderly become their main intermediaries and defendants.
- Counseling – elderly persons and members of their families visit the offices of the Service and are provided with counseling on all their problems, mediating services (both with the NII and other organizations), and above all, a listening ear.
- Support groups for widows/widowers – aimed at lifting the widows and widowers out of their loneliness and depression, and helping them get back to daily functioning and social involvement.
- Support groups for spouses of ill or handicapped elderly – aimed at easing the burden of intensive care.

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- Joint projects in the community – in accordance with the specific needs of the town or community. The aim is to strengthen the elderly who live in the community, providing them assistance in a wide range of fields.

As of August 2005, following the closure of the *Authority for Retirement*, which had operated at the auspices of the NII, the Counseling Service began operating retirement workshops in order to help new retirees become aware of their rights under the NII and other community bodies. The workshops also deal with the various changes in one's life as a result of retirement.

## FUND FOR DEMONSTRATION PROJECTS

In 2008 the Fund for Demonstration Projects of the NII dealt with 250 *demonstration projects* and project proposals, aimed at expanding and improving social services to a variety of at-risk population groups. The Fund assists the initiators of the projects in a number of ways: it helps to define the project's aims and to plan the project, it provides financial assistance during the initial experimental period (the participating organizations must commit themselves to continue financing the project on their own beyond the experimental stage); it carries out an evaluation research of the project and it actively participates in the steering committee responsible for running the project.

The Fund's annual budget is NIS 15 million.

Research evaluations of projects completed – and with reports published in 2008– are described below.

### Protection of the elderly in the rural sector

This study examines a program implemented in the rural sector that is a pioneering attempt to address the problem of elder abuse and neglect in a unique manner. The report summarizes the experience gained in the program implemented from 2004–2006 in two regional councils: Matte Yehuda and Lev Hasharon. The program was funded by the Fund for Demonstration Projects of the National Insurance Institute together with the Ministry of Social Affairs and Social Services.

The program was implemented on the community, group, and individual levels and it addressed the main dimensions of countering elder abuse: protection, empowerment, and advocacy. The emphasis was on the community level – information and education sessions were arranged in moshavim for elderly and middle-aged persons; meetings were held with program partners; and a group of volunteers responsible for education and information was set up in the moshavim. The group level intervention included a drama group and a support group for women. On the individual level, 102 elderly persons who had been victims of abuse participated in the program.

Similarly to other studies conducted in Israel and abroad, this study reveals that the majority of victims are women, that most victims are over 70, and that they have a high incidence of health problems and poor support networks. In some cases, the abusers are caregivers who are dependent on their parents and live on the same property. Most of the abusers are men and most are the adult offspring of the victim and have financial problems. Twenty-two percent of the participants had experienced physical abuse; 59%, psychological abuse; 45%, financial abuse; 47%, neglect; and 17% had had their rights violated.

The most common intervention was psychotherapy, mostly to the victim (88%) but sometimes to the abuser (53%) and to other family members (23%). The partners involved in the intervention were mainly the health services and welfare officers of the court, who worked in the shadow of the law and also enforced the law, and day centers that provided support, protection, and follow-up.

At the end of the study (late 2006), the social workers estimated that there had been an improvement in 77% of the cases included in the program, no improvement in 18% of them, and that in 5% there had been a deterioration in the relationships and the manifestations of abuse had become more severe.

In conclusion, it is clear that the program to protect elderly people in the rural sector made a valuable contribution, both on the community level and on the individual level. The program helped to upgrade work processes, to introduce new activities and initiatives, to raise residents' awareness, and to bolster interest on the national level among lawyers, within rural settlement movements, etc.

#### "Re'im": Social groups for youngsters with communication deficits and learning disabilities

The "Re'im" program was developed for youngsters and teenagers with various kinds of communication deficits, who suffer from social problems. The program was accompanied by formative and summative evaluation, combining qualitative research methods with quantitative methods.

The program filled a genuine need of a segment of the population and it made a significant contribution to the life of its participants. In most places coherent groups were formed, which function as organic social groups, also outside the official hours of activity. In the quantitative studies, the participants reported a high level of satisfaction in the two phases of the research, while in the qualitative study the participants ranked the very existence of the social network as the most significant achievement of the program.

According to the participants, instructors and parents, the program cleared the way to the social world for them. It is recommended to learn from the knowledge accumulated so far how to construct the program conception, how to adapt it to the needs of the participants and to emphasize acquisition of practical social skills.

#### Individual child injury prevention service

The project *Individual child injury prevention service*, initiated during 2003 by *Beterem*, included counseling about injury prevention to families of children hospitalized after injury. The project was initiated in three hospitals: 'Schneider's Children's Medical Center' in Petach Tikva, 'Haemek Medical Center' in Afula, and 'Maier's Children's Hospital' in Rambam, Haifa. During three years 2,400 families were counseled in these three hospitals. In the next a few years other hospitals joined the project; however, they were not evaluated.

In all the hospitals the service was provided by volunteers. At "Haemek' Medical Center, in addition to the volunteers, nursing staff provided counseling.

The method developed in this project for counseling was found to be effective in increasing awareness and knowledge of parents regarding injury prevention. The counseling should be incorporated into the daily routine work of the nursing staff in the hospitals and should not be an externally run service. This could be accomplished by training nurses in the hospital to deliver the counseling to the families. In addition,



there is a need to culturally adapt and translate the counseling for other ethnic groups such as the Arab population.

#### "Horim": Teaching parenting skills to recovering drug addicts

The Horim program is an experimental attempt to use an "in the family" parenting enrichment program as an additional treatment component in the rehabilitation of drug addicts. It is a three-year project that was administered to 69 families from 3 regions in Israel: Hadera, Haifa, and the Jedida-Macar-Shefaram area. The criteria of selection were: a.) at least one of the parents is in a drug rehabilitation program, and b.) at least one of the children is under the age of five.

The program included weekly meetings in the natural family setting, in which all family members participated. These meetings were led by the Horim counselor and included games, play time and enrichment activities.

The research results show that the Horim program had significant improvements in most of its outcome criteria. In three out of four success criteria, there were major and significant improvements at the end of the program as compared to its beginning. The program caused a significant improvement in the functioning of the mother, of the child and of the entire family as a system.

#### Employment center for the middle-aged

The Employment Center for the Middle Aged was established with the aim of assisting the middle-aged employment seeker population, aged 45-65, who are having a difficult time returning to the labor market. The authorities currently dealing with the employment issue do not provide a suitable response for this population, some of whom require assistance in mediating with employers who offer available work positions.

The center deals with the general middle-aged population which requires assistance in the employment area, especially unemployed, but also those employed in part-time, temporary or unprofessional jobs who are searching for alternative occupations.

The center was established by the "Amutat 50 plus minus", as a two-year long experimental project, funded by the National Insurance Institute Fund for Demonstration Projects. The center began operating in October 2004 in Tel Aviv. It employed paid employees, who worked voluntarily part of the time, as well as volunteers who assisted the center's staff with its routine work. Five employees, working part time at the center, received wages, and in total there were two full-time jobs.

Due to budget and administrative limitations, the scope of professional training performed in the framework of the center, during the period between October 2004 and May 2006 was quite limited. Throughout this period, two basic courses were given on computer subjects and an additional two courses in preparation for the working world. Furthermore, center applicants participated in a number of courses given by the "Amutat 50 plus minus" unrelated to the center framework.

In total, throughout its operation, the Employment Center for the Middle Aged handled a large number of work seekers who contacted it seeking assistance, and thus greatly enhanced awareness of the middle-age employment issue among employers and policy makers.

The Benafshenu program: coping with mental illness

Benafshenu, a program operating under the auspices of the Shekel Foundation, was designed to provide assistance to persons with mental illness and their families, and it is operated by staff members who themselves or their families suffer from mental illness. In addition to providing such assistance, Benafshenu is an advocate for the provision of adequate responses to the needs of this population. A three-year evaluation of Benafshenu was funded by the National Insurance Institute of Israel. The focus of the evaluation was on three programs implemented by Benafshenu and the unique issues involved when persons with mental illness and their families operate these programs.

The three programs operated by Benafshenu are: a. a telephone hotline that provides immediate help to persons coping with mental illness, their family members and professionals; b. a program to provide better accessibility to information. Information about ways of coping with mental illness is collected, developed and distributed by Benafshenu to consumers of mental health services and to professionals involved in this field; c. structured dialogue meetings conducted by staff members of Benafshenu with diverse populations in order to change perceptions towards persons with mental illness and their family members. If the participants are students or professionals in the helping professions, the aim is to provide them with opportunities for learning about how to work with and meet the needs of consumers of mental health services.

During the process of evaluation, issues essential to the functioning and continuation of Benafshenu as an organization run by persons coping with mental illness and their family members were identified as essential to the functioning of the organization and its continuity. Interviews were conducted with staff members from Benafshenu, the Shekel Foundation and the Ministry of Health. One of the central issues identified was the lack of clarity regarding the identity of the organization. The lack of clarity regarding the question of whether Benafshenu is supposed to be for employment or rehabilitation had a direct influence on the type of expectations from staff members involved in the program, on the type of support provided to staff members to fulfill their responsibilities and on the nature of professional enrichment which they received. Resolving these issues is especially important considering the significance of the program for persons coping with mental illness and their families.

## **FUND FOR DEVELOPMENT OF SERVICES FOR PEOPLE WITH DISABILITIES**

In addition to the provision of various benefits for the people with disabilities, the National Insurance Institute provides funding for the development of new and the enhancement of the existing network of services for the people with disabilities in Israel, through the Fund for the Development of Services for People with Disabilities.

The Fund has for the past thirty years provided major assistance for the purchase of new equipment, renovations and for new building to a multitude of governmental, municipal and voluntary non-profit service providers. In the year 2008 there were about 1,600 projects (including applications and projects in process); 170 of these approved in the course of that year.

The Fund draws its budget from the annual allocation earmarked for the General Disability Insurance branch (NIS 107 million in 2008), and it provides allocations for a very wide range of disabilities – including the developmentally disabled, emotionally disabled, blind, visually disabled, deaf and hearing-impaired, motor-function disabled, autistic, learning disabled and individuals with disease-related disabilities.

The Fund considers its main goal as one of fostering the integration of the disabled in the community at large. It provides assistance for the initiatives of only those service-providers who can provide proof of their ability to maintain and operate their services for an extended period. To date, it has provided funding for hundreds of services in virtually every town and city in the country. The main types of services developed by the Fund are community residences, vocational rehabilitation and sheltered workshops, leisure activities, and special education and early childhood intervention programs.

Community Residences – The Fund has been a primary catalyst in the development of residential services for the disabled, which have experienced an enormous expansion in the past five years. Funding is provided for a continuum of different residential options, such as hostels, sheltered apartments and training apartments. Support for community residences is provided for individuals who are either developmentally disabled, emotionally disabled, autistic or learning disabled. In the period of 2009-2010, the Fund will focus on developing community residences for individuals with severe physical, cognitive or emotional disabilities.

Employment Services – the Fund has assisted in improving basic work conditions throughout the country. These workshops provide a basic work situation for individuals aged 18 or older who lack the basic skills for full employment in the work force. In the past several years the Fund has helped establish twenty new workshops, mostly located in outlying areas and in the Arab sector. The Fund is currently supporting the building of twenty additional workshop centers, some of which are intended to integrate individuals with various disabilities. The Fund also provides extensive assistance for establishing pre-employment therapeutic centers for individuals with severe cognitive, emotional and physical disabilities who are unable to function in a sheltered employment center. Assistance is also provided for the establishment of small businesses operated by individuals with disabilities such as catering services, direct-mail services, a variety of packaging services and laundry services. Extensive

assistance is also provided for expanding employment training centers which provide short-term intensive training and placement services for individuals with disabilities who seek employment in the workforce at large. In 2009, the Fund initiated a special trail program to encourage employers in the private sector to hire individuals with disabilities. The Fund intends to assist prospective employers to develop their infrastructure on the condition of receiving a guarantee to employ individuals with disabilities for a period of several years.

Recently, the Fund has expanded its assistance to students with a variety of disabilities in major universities and institutions of higher learning. The Fund has been instrumental in establishing Support Centers for students with visual disabilities in all the main universities and during 2009 and 2010 the Fund will embark on a nationwide effort to establish Support Centers for Students with Learning Disabilities, in conjunction with the *Council for Higher Education*.

Special Education – the Fund has provided assistance to scores of special education programs for the purchase of equipment in the following areas: therapeutic programs, pre-work training programs, independent living training, specialized playground and group activities and specialized computer accessories and software. Increasingly in recent years, the Fund has become more involved with integrative and mainstreamed varieties of special education, as these begin gradually to replace the more traditional segregated forms of education, especially for the more mildly disabled.

Early Intervention – Having recognized the importance of early detection and intervention of developmental disabilities in the 0-5 population, the Fund has been a primary mover in the establishment of community-based treatment centers. These centers provide physical occupational speech and psychological therapy under the guidance and supervision of the main Child Development Centers. With the passage of the Rehabilitative Nursery School Law, the Fund has expanded its assistance to establishing special nurseries throughout the country.

Recreational Activities – recognizing the importance of recreational activities as an essential component in the well-being of the developmentally-disabled individual, the NII has provided support for a multitude of both segregate and integrative recreational programs. These include afternoon community clubs for young adults, evening recreational social clubs for adults, sports facilities and music and drama centers.

Hydrotherapy – In 2007, the Fund approved renewed funding for the building of therapeutic swimming pools. During this year, an extensive study was carried out on all existing therapeutic pools, and clear guidelines were established for building and operating these pools. Since 2008, funding has already been approved for the renovation of several therapeutic pools, and in 2009, the Fund will be expanding this effort.

Accessibility – In order to facilitate the full integration of the disabled in Israeli society, the Fund has expanded its traditional role of developing services that primarily serve the disabled. In 1998, the Fund embarked on a national program to ensure accessibility of the disabled to all public services. These include Government offices, municipal buildings, schools, universities, museums, theatres, and courts as well as outdoor recreational sites such as the National Parks' nature reserves and picnic areas. Assistance is provided for special adaptations required by the physically disabled, such as ramps, paths, elevators, chair-lifts and adapted restrooms. Additionally, special

adaptations have been provided for the visually and hearing disabled such as Braille signs, “ringing” traffic lights, special 3-D models, audio guides and FM systems for screening background noises. The Fund intends through these efforts to enhance public awareness of the need for accessibility to all services and to serve as a catalyst for additional funding sources. In 2005, as a result of growing public awareness and partly due to the involvement of the NII in funding accessibility projects, a new accessibility law was passed by the Knesset, as part of the “Equal Rights for People with Disabilities Law” of 1998. During 2009 and 2010, and until the full implementation of the law, the Fund is focusing its efforts on expanding accessibility in institutional residences, universities and colleges, as well as in informal education settings such as community centers and libraries. The Fund has also earmarked NIS 6 million during 2007-2009 for the development of accessibility infrastructure at major tourist locations around the country. The program, being funded jointly by the Ministry of Tourism, will focus on major sites such as nature preserves, world heritage sites, museums and public recreation facilities. Priority will be given to sites that are already partially accessible, with special focus on accessibility adaptations for individuals with a sight, hearing or cognitive disability. During the period of 2009 and 2010, the Fund will also significantly expand its budget for accessibility projects and will be focusing on new areas of involvement. These will include: assistance to public organizations which serve people with disabilities to increase the accessibility of their internet web sites; developing new accessible technology, and a special initiative for accessibility in Jerusalem’s Old City, a site which annually attracts many millions of visitors.

Finally, in addition to its commitment to the development of community services, the Fund has since 1994 embarked on a massive program – together with the Ministry of Social Affairs – to improve the quality of life in twenty large governmental and public voluntary residences for the developmentally disabled. Efforts have been concentrated on refurbishing residential pavilions, building new housing to cope with chronic overcrowding, building day activity centers and improving basic infrastructure.

## **FUND FOR DEVELOPMENT OF LONG-TERM CARE SERVICES FOR DEPENDENT ELDERLY**

Under Article 237A of the National Insurance Law, the National Insurance Institute finances the development of community and institutional services for frail elderly individuals who are limited in activities of daily living and require long-term care services.

In 2008 the Fund's assistance to developing new services amounted to about NIS 36 million. The Minister of Social Affairs and the Minister of the Treasury authorize projects approved by the NII, after consultation with the Public Council.

The Fund assists public bodies in the development of infrastructure and equipment for services, contingent on the commitment to finance operating expenses of the program for which assistance is requested.

The Fund supports service development in four primary areas: building, expanding and enhancing day centers for the elderly, including raising the standard of day centers by adding functions such as physiotherapy, health fitness equipment and therapeutic gardening; expanding and developing sheltered housing environments; additions and upgrading of beds and physical environment in nursing homes.

In 2008 the Fund approved 29 new programs, which included 18 community and 11 institutional projects. During this year, a total of 300 projects received funding from the Fund. It should be noted that in the course of 2008, the Fund provided funding for fortifying and protecting elderly in day-care centers and old-age homes in southern Israel which were bombed by Kassam rockets from the Gaza strip.

## **FUND FOR ACTIVITIES OF SAFETY AND HYGIENE IN THE WORKPLACE**

Under Article 149 of the National Insurance Law, the National Insurance Institute participates in the funding of activities aimed at safety and the prevention of work accidents in factories or in other workplaces. The Fund's current budget in 2008 is about NIS 7 million, all which is spent on projects.

Such activities include:

- research in the area of safety and hygiene in the workplace, aimed at formulating conclusions which are widely applicable to prevent or reduce work accidents;
- examining the conclusions of the above research by means of their experimental application in a certain workplace, in order to examine the extent of their applicability and contribution to the promotion of work safety and hygiene;
- the survey, mapping and evaluation of existing and future risks in workplaces, and the proposal of solutions to remove these risks;
- activities of information, training and practice of behavior to prevent work accidents in workplaces;
- developing or improving means, tools and accessories aimed at increasing safety and hygiene in the workplace, in order to offer them to other employers;
- conducting nationwide information campaigns by means of the mass media and other means of publication, aimed at developing awareness concerning safety and hygiene at work.

In 2008, the Fund operated about 85 projects, some of them new and others carried on from previous years.

## **FUND FOR DEVELOPMENT OF SERVICES FOR CHILDREN AND YOUTH**

The Fund for The Development of Services for Children and Youth was established in 2004 with the aim of developing services for children and youth at risk. In Israel there are well over 350,000 children whose functioning is impaired due to conditions of neglect, poverty or abuse (physical, sexual or emotional). All these factors affect the normal development of these children and leave them exposed and in distress. In these difficult times, children are often in the most sensitive position and their welfare is the most threatened.

The strategic aims of the Fund as defined for the first three years were to develop programs in the following areas:

- a) *To provide a “second chance” to at-risk youth for matriculation exams, higher education and provision of job skills;*
- b) *To prevent and reduce violence among children and youth, by means of intervention in educational and community frameworks;*
- c) *To treat and support children who are victims of sexual abuse;*
- d) *To develop programs for at-risk youth and young girls in distress;*
- e) *To promote programs for enhancing parenting skills.*

The Fund participates in welfare programs aimed at developing local, regional and nationwide services in the community by means of assistance in funding these programs for defined periods, with other bodies – the government, local authorities or public bodies – committing themselves to operate the program after this initial period.

130 projects have been approved to date and have begun to be implemented.

In 2009 the emphasis is on preparing underprivileged and at-risk youth for the future work force. Preference is given to programs that stress life skills and work skills, hopefully better preparing youth for employability. In order to be effective in this goal, it is important to start working intensively with children already at the middle-school level.

Although the emphasis in the Fund’s call for proposals is changing, it will continue to work intensively with the projects already approved. These projects are of a very large range and focus on working with children from every sector of the population, whether these are ultra-Orthodox, national religious, Bedouin, or other. In each of these sectors special emphasis is placed on working with girls at risk and each project is matched with the special needs of each community. Furthermore, the Fund has been instrumental in the establishment of treatment centers for children who are victims of sexual abuse.

With the Fund’s intervention, services have been developed that are an integral part of the network of services for children at risk, remembering all along that children are the country’s future, and that the children of today need to be given better opportunities so that they will have a better future and will not need to depend on benefits from the National Insurance Institute.



## **INTERNATIONAL CONVENTIONS ON SOCIAL SECURITY**

International social security Conventions, bilateral and multilateral, are designed to assure equality of treatment or reciprocal treatment, the right to export benefits, as well as to protect rights of persons and their families who move from one country to another for employment or other reasons. The need for such Conventions stems from the fact that social security programs do not usually give adequate consideration to the special needs of persons who are outside its jurisdiction. Israel, as an immigration country, is interested in such Conventions in order to assure each beneficiary an adequate benefit for prior social security credits in their country of origin.

Another dimension of these international Conventions is the need to avoid dual coverage and contributions for workers posted temporarily by their employer in another country, while assuring continuity of protection and adequate benefits under the social security legislation of their country of origin.

### Bilateral conventions

Israel signed the first bilateral Convention in 1957. Since then, continuous efforts have been made to enlarge the scope of our international cooperation through bilateral Conventions. At the present time, sixteen such Conventions have been concluded and are in force.

On April 1, 2008, a bilateral social security Convention with Norway came into effect.

The Convention guarantees continuity of social security rights to insured persons who are residents of Israel or Norway and who move from one country to the other.

The Convention applies to the following social security branches: old-age and survivors, general disability, work injury, maternity and children.

Furthermore, it arranges for an exemption from double payment of insurance contributions for workers from one country sent by their employers to work in the other country for specific periods of time.

The bilateral Conventions presently in force between Israel and other countries are shown in the following table.

**Bilateral Conventions**

<b>Country</b>	<b>Date of Signature</b>	<b>Operative Date</b>	<b>Coverage</b>	<b>Insurance Branches</b>	<b>Competent Institution</b>
<i>United Kingdom</i>	April 29, 1957	Nov. 1, 1957 Amending protocol: April 1, 1984	British or Israeli citizens who are employees or self-employed and members of their families	Old-Age, Survivors, Maternity, Children, Work Injury and Occupational Diseases	The Pension Service, International Service, Newcastle upon Tyne, England NE98 1BA <sup>1</sup>
<i>Netherlands</i>	April 25, 1963	Nov. 1, 1963 New Agreement: Sept. 1, 1985  Amendment: December 1, 2003	Dutch or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Maternity, <sup>2</sup> Children, Unemployment, Work Injury and Occupational Diseases	SVB Vestiging Roermond Postbus 1244 6040 KE Roermond Netherlands
<i>France</i>	December 17, 1965	October 1, 1966	French or Israeli citizens who are employees, and members of their families	Old-Age, Survivors, Maternity, Children (Family Assistance), Work Injury and Occupational Diseases	C.L.E.I.S.S. 11 rue de la Tour des Dames, 75436 Paris, Cedex 09, France
<i>Belgium</i>	July 5, 1971	May 1, 1973	Belgian or Israeli citizens who are employees, and members of their families	Old-Age, Survivors, Work Injury and Occupational Diseases	Office Nationale de Securite Sociale, Place Victor Horta 11, 1060 Bruxelles, Belgique
<i>Austria</i>	November 28, 1973	December 1, 1974	Austrian or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Maternity, Children (Family Assistance), Unemployment, Work Injury and Occupational Diseases	Pensionsversicherungs-Anstalt Friedrich Hillegeist str 1, 1021 Wien, Postf 1000, Austria
<i>Germany</i>	December 17, 1973	May 1, 1975	German or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Maternity, Work Injury and Occupational Diseases	DRV Bund 10704 Berlin, Germany ----- DRV Rheinprovinz 40194 Dusseldorf 1 Germany
<i>Sweden</i>	June 30, 1982	July 1, 1983	Swedish or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Maternity, Children, Unemployment, Work Injury and Occupational Diseases	Forsakringskassan Stockolms Lan Utlandsavdelningen S-105 11 Stockholm, Sweden

<sup>1</sup> An additional institution in UK: Inland Revenue, Centre for Non-Residents-BP1301, Benton Park View, Newcastle Upon Tyne, NE98 1ZZ, England.

<sup>2</sup> Cash benefits only (not hospitalization).

**Bilateral Conventions**  
**(cont'd)**

<b>Country</b>	<b>Date of Signature</b>	<b>Operative Date</b>	<b>Coverage</b>	<b>Insurance Branches</b>	<b>Competent Institution</b>
<i>Switzerland</i>	March 23, 1984	October 1, 1985	Swiss or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors and Disability	Caisse Suisse de Compensation, 18 Ave Ed Vaucher, CH-1211 Geneva 28, Switzerland
<i>Italy</i>	January 7, 1987	November 21, 1989	Italian or Israeli residents employed in the territory of the other country	None	Ministero del Lavoro e della Previdenza Sociale 17, Via della Trezza 00187 Roma, Italy
<i>Poland</i>	October 31, 1991	December 31, 1991	Polish or Israeli citizens entitled to work injury or occupational disease benefits	Work Injury and Occupational Diseases	Zaklad Ubezpieczen Spolecnych Biuro Rent Zagranicznych ul. Senatorska 1000-082 Warszawa, Poland
<i>Denmark</i>	July 3, 1995	April 1, 1996	Danish or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Work Injury and Occupational Diseases, Maternity and Children	Den Sociale Sikringsstyrelse, Landemaerket 11, 1119 Kobenhavn K, Denmark
<i>Finland</i>	September 15, 1996	September 1, 1999	Finnish or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Work Injury, Maternity and Children	The Social Insurance Institution KELA Office for Int'l Affairs, P.O. Box 72 00381 Helsinki Finland <sup>1</sup>
<i>Uruguay</i>	March 31, 1998	November 1, 1999	Uruguan or Israeli citizens, employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Work Injury, Maternity and Children	Banco de Prevision Social, Gerencia de Area de Investigacion, y Asuntos Internacionales, Calle Colonia 1921 Piso 1 Montevideo, Republica Oriental del Uruguay
<i>The Czech Republic</i>	July 16, 2000	July 1, 2002	Czech or Israeli citizens, refugees and stateless persons and their dependants	Old-Age, Survivors, Disability, Work Injury, Maternity and Children	Caska sprava socialnino zabezpeni, Krizova 25, 225 08 Praha 5 Czech Republic
<i>Canada</i>	April 9, 2000	September 1, 2003	Canadian or Israeli citizens, refugees and stateless persons who are employees or self-employed.	None	Canada Customs and Revenue Agency (CCRA) CPP/EI Eligibility Division 25 McArthur Rd, Tower C Room 764, 7th Floor Vanier, Ontario K1A 0L5 Canada
<i>Norway</i>	May 23, 2006	April 1, 2008	Norwegian or Israeli citizens, refugees and stateless persons who are employees or self-employed.	Old-Age, Survivors, Disability, Work Injury, Maternity and Children	NAV – National Office for Social Insurance Abroad Postboks 8138 Dep N-0033 Oslo, Norway

<sup>1</sup> An additional institution in Finland: Elaeketurvakeskus, 0065 Elaeketurvakeskus, Finland.

## **FUTURE CHANGES**

### Increase in national insurance benefits

Every year benefits are adjusted at the rate of the annual rise in the Consumer Price Index to November of the previous year. Beginning in January 2009, all national insurance benefits will be increased by 4.5%, the increase in Consumer Prices over the 12 months ending in November 2008.

The rise in the benefits is particularly crucial for low-income citizens, whose sole or main source of income is the benefit that they receive from the National Insurance Institute.

### Increase in rates of attendance allowance

An attendance allowance is paid to severely disabled persons who are dependent on the help of others for the performance of everyday functions or who are in need of supervision.

Under an amendment to Regulation 3 of the National Insurance Regulations (Disability Insurance - provision of attendance allowance), the rate of the attendance allowance, paid according to the severity of the dependence on the help of others, will be increased on January 1, 2009.

Disabled persons who previously received allowance at the rate of 100% of the full individual disability pension will receive it at a rate of 105% of this pension, and those who received allowance at the rate of 150% of the full individual disability pension will receive it at the rate of 175% of the pension.

The rate of allowance will not be raised to those who receive it at the rate of 50% of the full individual disability pension; they will continue to receive their allowance at this rate.

This change is a result of the rising costs of employing foreign workers, who often work as attendants to the severely disabled.

### Reform in disability insurance

The chapter on Disability Insurance in the National Insurance Law underwent a comprehensive reform, to be in effect as of August 1, 2009.

The period of August 1, 2008 to July 31, 2009 is a period of preparations for this reform.

The main changes incorporated in this reform are as follows:

1. The population of persons with disabilities shall be divided into two categories:
  - a) those with a severe impediment and those who are entitled to disability

- pension for a lengthy period, and b) those who do not have a severe impediment and who are not entitled to disability pension for a lengthy period.
2. The definition of *disabled person* is to be changed, to incorporate an *income threshold* entitling to benefit (instead of the present calculation of reduction of earnings as a result of the impediment).
  3. Four levels of earning incapacity will be determined.
  4. There will be a new formula for calculation of the amount of the disability pension, which will also be paid to a disabled person who works, as long as his income is lower than that determined for the category to which he belongs.
  5. A disabled person who is no longer eligible for the disability pension due to his income may be eligible for a new benefit, called *work encouragement pension*.

#### Erasing of debts to the National Insurance Institute

The Labor, Welfare and Health Committee of the Knesset has recently approved a bill under which the National Insurance Institute will not be able to collect a debt from an insured person if 7 or more years have elapsed since the day that the debt first accumulated.

Under the proposed law, the demand to pay national insurance contributions must be sent within 7 years of the debt's creation, at the latest. If such a demand is not sent within this time span, the NII will not be able to collect its debt, and insurance contributions will be considered as having been paid for purposes of rights in national insurance.

However, a debt to the NII on the part of insured persons who did not fulfill their obligation of registration or reporting to the NII (such as self-employed persons) may still be collected after 7 years.