



# Summary of Trends and Developments in Social Security

2011



**National Insurance Institute  
Israel**

Research and Planning Administration



# Summary of Trends and Developments in Social Security

# 2011

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## INTRODUCTION

The scope of changes that came into effect in the Israeli social security system in 2011 reflects the recent overall improvement in the Israeli economy, as well as a streamlining of the system, making it a more efficient one.

The scope of the population eligible for benefits was widened in 2011: the income test for widowers claiming a survivor's pension was made more lenient, elderly disabled may now be eligible for the heating grant paid to the needy elderly, and the income of Holocaust survivors from reparation payments from abroad is no longer taken into account in determining entitlement to the long-term care benefit (or in calculation of the rate of benefit).

Benefits were raised in a number of branches: all benefits were raised by 2.3% as a result of adjustment to the cost-of-living index. In addition, the amount of the heating grant paid to needy elderly living in cold areas was doubled, the amounts of the child allowance paid to the second and third children in families are continuing to be gradually increased, and orphans both of whose parents were killed in a hostile (terror) act are now eligible for extended benefits.

A number of changes in the social security system were introduced in 2011 to improve administrative procedures or to correct distortions in the system. The National Insurance Institute, along with other public organizations, must now report on all rights of Israel's senior citizens to the government's Senior Citizens Ministry; and all employers, by law, must now pay their employees who were absent from work due to military reserve service their full monthly wages, without any deductions.

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

In the area of collection of insurance contributions, there has been a change in the rates of insurance contributions paid by employers, as well as a raise in the minimum wage. Furthermore, the exemption from payment of insurance contributions has been expanded to include students in pre-military preparatory frameworks as well as volunteers in national service (recruited before age 21), and all high school pupils up to age 19.

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. 312 demonstration projects were in operation in 2011 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 a shortening of the period for which benefits may be paid retroactively and improved benefits for the disabled.



## **GENERAL**

### Adjustment of national insurance benefits

National insurance benefits have been adjusted by 2.3% in January 2011 in accordance with the Consumer Price Index.

Furthermore, the third and final stage of raising the amount of the old-age and survivors' pensions took place in January 2011, when these pensions were raised by another approximate 2%, thereby ending the process that began in August 2009, and leading to an overall rise of 7.3%.

## CLIENT SERVICE

In 2011, 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 145 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 too the NII website underwent improvements to provide better services and more information to the public, and it includes summaries of the NII's main policy reports. The personalized service website, launched towards the end of last year, enables clients – using the secret code – to obtain a wealth of personal information such as insurance status, claim status, benefit payments, payments of insurance contributions, and more.

This year, for the first time, the personalized service site enables clients to submit a claims form for benefit through the site – as of now, for a reserve service benefit. This service is expected to expand to include more types of benefit claims in the near future.

The website includes a number of simulators to examine whether one is entitled to benefit, as well as calculators that provide estimates of the amount of benefit to which a person may be entitled. This year, the following simulators were added to the existing ones: simulators to check entitlement to the old-age pension and to maternity allowance, and to check the possibility of receiving two benefits simultaneously.

A new service that has been added this year is a cell-phone application that includes manuals, calculators, an option for paying insurance contributions, information on local NII branches and maps to show how to reach every local branch.

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 in Russian has been on the air since 2010.

The number of visitors to the internet site (address: <http://www.btl.gov.il>.) reached about 6 million in 2011.

## OLD-AGE AND SURVIVORS

### Income test for widower claiming a survivors' pension

Under an amendment to the regulations determining the income test for widowers (one of the conditions of their entitlement to a survivors' pension), in effect as of January 2011, a disregard of 15.2% of the average wage – NIS 1,263 in January 2011 – is reduced from the following income:

- Income from work or occupation;
- Income from pension paid due to retirement from work or occupation;
- Monthly income paid due to retirement, such as provident fund or other insurance plan that yields a monthly income.

This change results in an easier income test for widowers, and thereby to an expansion of the number of widowers entitled to a survivors' pension.

It is intended to eventually repeal the income test for widowers altogether, and thereby equalize conditions for widowers and for widows (for whom there is no income test).

### Obligation to provide information on rights of senior citizens

Under Amendment 11 to the Senior Citizens Law, in effect as of April 2011, public organizations – such as the National Insurance Institute – must submit an annual report to the Senior Citizens Ministry, updated to the 1<sup>st</sup> of July of every year, in which are detailed all rights or benefits that the organization offers to Israel's senior citizens, including the criteria for receiving such rights or benefits.

The regulations will determine the manner in which the Ministry shall provide this information to the senior citizens themselves.

### Amount of heating grant doubled

Persons who have reached retirement age and who receive an income supplement to their pension for the months of October through December of a given year are entitled to a heating grant from the NII if they live in an area of Israel determined to be a "cold area".

Under an amendment to the National Insurance Law, as of 2011 the rate of the heating grant has been doubled, from 3.2% of the *basic amount* – the amount according to which most NII benefits are calculated (NIS 261) to 6.4% of the *basic amount* (NIS 522).

### Heating grant for elderly disabled

New regulations to the Senior Citizens Law published in December 2011 expand the range of discounts provided to needy elderly persons to include disabled persons (disabled elderly) as well.

Such persons are now entitled to receive the same discounts or benefits as are provided to persons who receive the old-age pension plus income supplement.

Most of these benefits – except for the heating grant – are provided by bodies other than the National Insurance Institute.

As of October 2011, the NII provides the heating grant to those elderly disabled who meet the criteria (live in a defined "cold" area).

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The number of recipients of old-age and survivors' pension increased in 2011 by 2.9%, to 780,107 recipients as a monthly average.

The old-age and survivors' pension rates for 2011, basic and including income supplement, are shown in the following table.

**Old-Age and Survivors' Pension Rates**  
**2011(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>
basic	1,444	1,901	2,356	2,170	2,627	3,084
with income supplement (age under 70)	2,645	4,196	5,077	3,928	4,810	5,691
with income supplement (age 70-79)	2,723	4,309	5,191	4,041	4,923	5,805
with income supplement (age 80+)	2,846	4,483	5,365	4,216	5,097	5,979
<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>
basic	1,085	1,444	2,121	2,798	897	1,794
with income supplement (age under 70)		2,645	4,196	5,077	1,871	2,721
with income supplement (age 70-79)		2,723	4,309	5,191		
with income supplement (age 80+)		2,846	4,483	5,365		

<sup>1</sup> The rates in this and all other tables are given in Israeli new shekels. In 2011 the average exchange rate was approximately \$1 = NIS 3.58.

## LONG-TERM CARE

### Continuation of pilot: long-term care benefit in cash

Under Amendment 126 (2011) to the National Insurance Law, the pilot under which the recipient of a long-term care (LTC) benefit may receive his long-term care benefit in cash has been extended for an additional two years.

It should be emphasized that only recipients who employ a full-time caregiver may receive a cash benefit, and only if they live in one of the localities participating in the pilot.

In the framework of the amendment, two new localities were added to the ones previously participating, bringing the total number of localities in the pilot to 9.

### Income from reparations in calculation of benefit

Under Amendment 129 to the National Insurance Law, income of Holocaust survivors from reparation payments from abroad are no longer taken into account in the determination of their entitlement to the long-term care benefit, nor in the calculation of the rate of the benefit to which they are entitled.

The amendment is in effect regarding new claims for long-term benefit submitted on August 11, 2011 or thereafter.

Regarding those whose benefit was reduced due to income, the amendment is in effect as of the first of the month following the month that the relevant document (testifying to income from reparation payments) was submitted, or as of December 1, 2011 – the earlier of the two.

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 The number of recipients of long-term care benefits rose in 2011 by about 2.9%, reaching about 145,490 recipients as a monthly average.

The long-term care benefit rates for 2011 are shown below.

### **Long-Term Care Benefit Rates** 2011(NIS)

<i>Partially dependent</i>				<i>Very dependent</i>				<i>Fully dependent</i>			
<i>Eligible for full benefit</i>		<i>Eligible for half benefit<sup>1</sup></i>		<i>Eligible for full benefit</i>		<i>Eligible for half benefit<sup>1</sup></i>		<i>Eligible for full benefit</i>		<i>Eligible for half benefit<sup>1</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>
1,879	1,503	940	752	3,098	2,478	1,549	1,239	3,469	2,775	1,735	1,388
Increment to benefit to those employing an Israeli caregiver only				562	454	281	227	748	599	374	300

<sup>1</sup> 50% reduction as a result of income test.

## GENERAL DISABILITY

Under General Disability Insurance, a monthly pension is paid to every insured person (aged 18 to the *retirement age*) who, as a result of a physical, mental or intellectual impairment, fulfills both the following conditions:

- He is unable to support himself from work or occupation, and his capacity to earn a living from work or occupation and actual earnings are reduced as a result of the impairment by 50% or more;
- He has no actual income from work or occupation, or his such income is not over a certain amount as determined in the law.

In addition to the above incapacity, a medical disability of 60% is required for entitlement to disability pension (or a 40% medical disability, if he has 25% or more from a single impairment).

A minor who was employed immediately before the occurrence of the disability is also considered disabled for purposes of General Disability Insurance, and is eligible for disability pension.

Also eligible for pension is a housewife (not employed outside her household) having a medical disability of at least 50%, who has lost at least 50% of her capacity to function in her household as a result of her impairment.

No major changes in Disability Insurance took place in 2011.

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In the year 2011 the number of general disability allowance recipients grew by 2.8 %, reaching about 212,951 as a monthly average. The number of attendance allowance recipients and recipients of benefit for disabled child rose by 6.3% and 5.8%, respectively.

The general disability benefit and attendance allowance rates for 2011 are shown in the following table.

### General Disability Benefit and Attendance Allowance Rates 2011 (NIS)<sup>1</sup>

General Disability	<i>Individual</i>		<i>Couple</i>		<i>Couple with child<sup>2</sup></i>	
	2,210		3,315		4,199	
	<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>	
	<i>Basic</i>	<i>Incl. special benefit</i>	<i>basic</i>	<i>Incl. special benefit</i>	<i>basic</i>	<i>Incl. special benefit</i>
Attendance Allowance	1,033	1,322	2,168	2,757	3,614	4,492

<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 between ages 3 and 67 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 2011.

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The number of recipients of mobility allowance grew in 2011 by 4.3%.

The mobility allowance rates for 2011 are shown in the following table.

**Mobility Allowance Rates for Earner<sup>1</sup>**  
**2011 (NIS)**

Period	<i>Owens private vehicle (drives himself)</i>				<i>Owens special vehicle</i>			
	<i>1300cc</i>	<i>1800cc</i>	<i>2000cc</i>	<i>2500cc</i>	<i>Drives himself</i>			<i>Does not drive himself</i>
					<i>With accessories worth up to NIS 100,000</i>	<i>With accessories worth up to NIS 100,000</i>	<i>With joystick</i>	
January- April	1,544	2,103	2,610	2,880	3,499	4,975	7,393	3,283
May- September	1,621	2,224	2,736	3,034	3,499	4,975	7,393	3,283
October- December	1,621	2,224	2,736	3,034	3,642	4,975	7,393	3,424

<sup>1</sup> Persons with 80%-100% mobility limitation are automatically considered "earners" – in addition to those who have earnings from work. .

## **INCOME SUPPORT**

The Income Support Law of Israel, enacted in January 1982, aimed at serving as an economic protection net for the needy, who for some reason or another, are not able on their own (or by means of a benefit to which they are entitled) to provide for their basic needs of subsistence. The law in effect created a continuum of eligibility for payment from the social insurance system, constituting a last resort for all those who are not covered by other programs, or whose income from benefit in the framework of another program is lower than that which is essential to meet basic needs.

The population covered by the Income Support Law includes two groups, the larger of which comprises elderly and survivors (mainly widows) who receive an old-age or survivors' benefit from the National Insurance Institute, and who have no other source of income other than this pension, or whose other income is very low. The second group covered by the law includes individuals of working age, not characterized by any particular demographic characteristic, who do not meet the requirements of eligibility for any other social security benefit. The group includes, for example, women who are single parents, unemployed persons not entitled to unemployment benefits, disabled persons not entitled to disability pension according to the criteria of the General Disability Insurance Law, and working families whose income from work is very low.

The income support benefit is financed by the State Treasury and paid by the National Insurance Institute. Entitlement to benefit is generally dependent on two tests: an employment test and an income test. The employment test obliges the claimant to make all efforts in order to find a job; however, elderly persons, single-parent mothers with small children and single fathers bearing alone the burden of raising their children are not required to work.

No major changes in the income support system were implemented in the course of 2011.

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The number of families receiving income support benefits in 2011 decreased from its level in the previous year: 105, 292 recipient families as a monthly average.

The income support benefit rates for 2011 are shown in the following table.



**Income Support Benefit Rates**  
2011 (NIS)

Family composition	Under age 55		Aged 55 or over
	Regular rate <sup>1</sup>	Increased rate <sup>2</sup>	
<i>Individual</i>	1,632	1,836	2,040
<i>Individual with 1 child<sup>3</sup></i>	2,447	2,733	2,890
<i>Individual with 2 or more children<sup>3</sup></i>	2,733	3,059	3,380
<i>Couple</i>	2,243	2,447	3,059
<i>Couple with 1 child</i>	2,447	2,733	3,549
<i>Couple with 2 or more children</i>	2,733	3,182	4,038
<i>Single parent with 1 child</i>	2,733	2,733	3,298
<i>Single parent with 2 or more children</i>	3,182	3,182	4,114

<sup>1</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>2</sup> Paid to persons who had been entitled to the increased rate of benefit in December 2002.

<sup>3</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 2011.

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In 2011 an average of 19,438 women received maintenance benefits from the National Insurance Institute every month.

The maintenance rates for 2011 are shown in the following table.

### Maintenance Rates 2011 (NIS)

Family composition	Woman under 55	Woman aged 55 or over
<i>Single woman without children</i>		
<i>Previously entitled<sup>1</sup></i>	1,836	
<i>Newly entitled<sup>2</sup></i>	1,632	2,040
<i>Single woman with children</i>		
<i>With one child</i>	2,733	3,298
<i>With 2 or more children</i>	3,182	4,114
<i>Woman who remarried</i>		
<i>With one child</i>	1,871	1,871
<i>With 2 or more children</i>	2,721	2,721
<i>Children alone</i>		
<i>One child alone</i>	1,871	
<i>2 children alone</i>	2,721	
<i>Each additional child</i>	816	

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

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

## CHILDREN

### Continued gradual change in the amounts of child allowance paid for the second, third and fourth children in families

Under the Economy Arrangements Law for 2009 and 2010, the child allowances paid for the second, third and fourth children in families are being gradually raised from July 1, 2009 to April 2012.

By the end of the process, in 2012, another NIS 100 will be received by families for each of their second, third and fourth children.

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 In 2011, the number of families receiving child allowance grew by 4.8%, and about a million families (as a monthly average) receive allowances for about 2.5 million children.

The child allowance rates for 2011 are shown in the following table.

### **Child Allowance Rates (per child)<sup>1</sup>** **2011(NIS)**

<b>Date of birth of child</b>	<b>Period</b>	<i>First child</i>	<i>Second child</i>	<i>Third child</i>	<i>Fourth child</i>	<i>Fifth child and subsequent children</i>
Before June 1, 2003	<i>January-March</i>	169	195	284	446	375
	<i>April-December</i>	169	252	284	446	375
On or after June 1, 2003	<i>January-March</i>	169	195	252	252	169
	<i>April-December</i>	169	252	252	252	169

<sup>1</sup> The rates are for children born before June 1, 2003. A uniform sum of NIS 159 per month is paid for every child born on that date or thereafter, regardless of his place in the family.

## MATERNITY

### Maternity allowance for foster families

Under Amendment 48 to the Women's Work Law, as of August 2011, authorized foster families may be eligible for maternity leave for their foster child if they are caring for this child for over six months.

Following this amendment, the National Insurance Law has been amended accordingly, to allow for the payment of maternity allowance (called in this case *foster allowance*) for such families, provided that the father or mother meet all the conditions of entitlement to the regular maternity allowance, including qualifying period.

The new *foster allowance* may be received by more than one family for the same child, but if so – not for the same period of time.

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The number of recipients of both the hospitalization grant and the maternity allowance went up by about 2.3% in 2011.

The rates of the various maternity benefits for 2011 are shown in the following table.

### **Maternity Insurance Benefit Rates** 2011 (NIS)

Period	Hospital- ization grant	Birth grant (for birth of one child only)			Maximum daily maternity allowance
		For the first child	For the second child	For the third child and subsequent children	
January- April	9,904	1,652	743	496	1,377
May-August	10,523	1,652	743	496	1,377
Sept.-Dec.	11,232	1,652	743	496	1,377

## **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 – the widow/widower, orphans, parents and other close relatives (defined as dependants) may be entitled to work injury benefits.

No major changes in Work Injury Insurance took place in 2011.

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 In 2011, the number of recipients of work injury allowance increased by 0.1%. The number of recipients of permanent disability benefit (out of total work injured) grew by about 5.1%, while the number of recipients of dependents' benefit increased slightly – by 0.8%.

The maximum rates in 2011 for daily work injury allowance and monthly work disability benefit are shown in the following table.

### **Maximum Work Injury Allowance and Work Disability Benefit Rates** 2011 (NIS)

<i>Daily work injury</i>		<i>Monthly work disability</i>	
<i>Employees<sup>1</sup></i>	<i>Self-employed and employees<sup>2</sup></i>	<i>Employees<sup>1</sup></i>	<i>Self-employed and employees<sup>2</sup></i>
619.50	1,032.50	18,585	30,975

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

<sup>2</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 2011.

## **HOSTILE ACTION CASUALTIES**

### Extended benefits to full orphans

Amendment 30 to the Hostile Action Benefits Law broadens the extent of the benefits that may be paid to orphans both of whose parents died as a result of a hostile (terror) act, on condition that they had not yet reached the age of 37 when they became orphaned.

The main articles of the amendment stipulate that:

- A monthly benefit will be paid to the orphan from the age of 18, at the rate of the benefit paid to widows without children.
- Orphans whose parents were killed before October 2000 may receive a benefit retroactively, if at the time of their parents' death they had not yet reached the age of 37.

The change is in effect as of April 1, 2011.

## RESERVE SERVICE

### Transfer of reserve service benefit to employees

Under Amendment 127 to the National Insurance Law, employers must pay their employees who were absent from work due to military reserve service their full monthly wages; that is, without deducting any amount for their days of absence due to the reserve service.

Under this amendment, after the National Insurance Institute pays the reserve service benefit due to the worker to his employer, the employer shall transfer to the worker the **full** amount that constitutes the difference between the benefit due him (received by the NII) and the wage actually paid.

Previous to the change, some employers had not paid their employees the entire difference, but had rather deducted payment for the days that their employees would not have worked in any case (such as the weekly rest days) as well as payment for the days that are not dependent on actual number of days worked (such as clothing allowance and vehicle maintenance).

This change is in effect regarding periods of reserve service beginning in March 2011.

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The minimum and maximum daily reserve service benefit rates for 2011 are shown in the following table.

### **Reserve Service Benefit Rates – Per Day** 2011 (NIS)

<i>Minimum</i>	<i>Maximum</i>
184.91	1,359.67



## 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 age 67.

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 2011.

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 The number of recipients of unemployment benefit decreased in 2011 to a monthly average of about 58,000 recipients. The unemployment benefit rates for 2011 are shown in the following table.

### **Unemployment Benefit Rates** 2011 (NIS)

<i>Maximum daily benefit to a single person<sup>1</sup></i>		<i>Discharged soldier's benefit</i>	
<i>First period</i>	<i>Second period</i>	<i>Regular work (daily benefit)</i>	<i>Vital work (one-time grant)</i>
332.28	221.52	97.92	9,011

<sup>1</sup> The first period is the first 125 days of the maximum period of benefit payment to which the unemployed person is entitled, during which the daily unemployment benefit shall not exceed the daily average wage. In the second period (beginning with the 126th day of payment), the daily unemployment benefit shall not exceed 2/3 of the daily average wage.

## **REHABILITATION**

Under the National Insurance Law-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 2011.

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. For example, 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 2,440 such acts, injuring 18,926 people and killing 1,007. The high number of injured people includes victims of continued incidents in the area surrounding Gaza in the aftermath of the Cast Lead operation, 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. Since 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 2011 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**

### Change in rate of insurance contributions paid by employer

Under the Economy Arrangements Law for 2011, as of April 1, 2011, the reduced rate of insurance contributions paid by the employer decreased from a total of 3.85% to all insurance branches to a total of 3.45%. Furthermore, the regular rate paid by the employer rose from 5.43% to 5.30%.

### Raise of minimum wage

The minimum wage was updated twice in the course of 2011. On April 1, 2011, it was raised to NIS 3,890 per month, and on July 1, 2011 it was raised to NIS 4,100 per month.

The minimum wage serves as the minimal income level for purposes of payment of insurance contributions on the part of salaried employees.

### Expansion of exemption for draftee

Under an amendment to the National Insurance Law in effect as of September 1, 2011, the following groups are exempt from payment of insurance contributions in the period before their recruitment in the army, if they are recruited before the age of 21: students in a pre-military preparatory framework and volunteers in public or national service.

These groups have been added to the list of groups exempt prior to the change: students in a higher education framework until 12<sup>th</sup> grade and persons undergoing vocational training.

### Pupils exempt from payment of national insurance contributions

Under an amendment to the National Insurance Law, as of October 1, 2011, all pupils aged 18 to 19 who study in a secondary school framework are exempt from payment of national insurance contributions for the period of their studies (but not beyond the age of 19).

Previous to the amendment, such pupils were exempt from payment of contributions only if they began their military service or voluntary national service before reaching the age of 21.

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The contribution rates for December 2011 for the various insurance branches, in addition to health insurance contributions, are shown in the following table.

**Insurance Contribution Rates**  
**December 2011 (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	1.42	3.85	0.22	2.04	1.30	5.21	3.09
<i>Long-term Care</i>	0.23	0.05	0.14	0.01	0.09	0.04	0.18	0.12
<i>General Disability</i>	2.28	0.37	1.86	0.11	0.42	0.26	1.86	1.11
<i>Accident Injury</i>	0.10	0.02	0.07	0.01	0.03	0.01	0.08	0.06
<i>Work Injury</i>	0.90	0.37	--	--	0.90	0.37	0.68	0.39
<i>Maternity</i>	1.11	0.15	0.87	0.04	0.24	0.11	0.82	0.56
<i>Children</i>	2.08	1.32	--	--	2.08	1.32	2.40	1.39
<i>Unemployment</i>	0.28	0.04	0.21	0.01	0.07	0.03	--	--
<i>Bankruptcy</i>	0.03	0.01	--	--	0.03	0.01	--	--
<b>Total Insurance Branches</b>	<b>12.90</b>	<b>3.85</b>	<b>7.00</b>	<b>0.40</b>	<b>5.90</b>	<b>3.45</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>17.90</b>	<b>6.95</b>	<b>12.00</b>	<b>3.50</b>	<b>5.90</b>	<b>3.45</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 at a rate of 0.6%, and instead of the self-employed – at a rate of 0.59%.

<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 understand 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 they learn about the perception of the NII, 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 elderly persons 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.
- 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.
- Information days for new pensioners – during which lectures on free-time culture are given, and information is provided on a variety of topics, such as community services and activities and rights in social security.
- Information days for widows who have recently become widowed, informing them of their rights in social security and in the community, including a lecture on the legal aspects of widowhood, and providing them with the opportunity to participate in a support group.

All services of the Counseling Service for the Elderly are offered free of charge.

## **FUND FOR DEMONSTRATION PROJECTS**

In 2011 the Fund for Demonstration Projects of the NII dealt with 312 *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.

In addition to requests for financial assistance from the field, the Fund itself initiates the development of social services by encouraging various bodies to submit proposals in areas that are on the agenda of the National Insurance Institute. These areas – published in "call for" program proposals – include occupational integration of at-risk population groups (such as emotionally injured, women and at-risk youth), consultation centers and support of students with special needs. As a result of these initiatives, about 100 programs in these new areas have been approved.

The Fund's annual budget is NIS 19 million.

Research evaluations of two projects completed – and with reports published in 2011 – are described below.

### You are being heard

The "Bekol" (Organization of Hard of Hearing People in Israel – in Hebrew) organization developed the program "You Are Being Heard", in which five information and support centers operated throughout the country, carried out in collaboration with the Ministry of Social Affairs' Rehabilitation Department and JDC Israel. The program's operating model was based on successful experience gained from establishing similar information and support centers for the vision impaired, and adapted to the hearing-impaired population. The program included the training of five coordinators, hard of hearing themselves, who later engaged in guidance and provided services in the five centers. The main goal of the program was to improve everyday functioning of the hearing impaired, and its main objectives were: assistance in the rehabilitation process, as well as in practical and emotional aspects.

The findings showed the beginning of a positive trend in achieving the primary objective of the information centers, i.e., an increase in hearing-aid usage. However, the findings also showed that there was still room to further improve the service provided to applicants in terms of encouraging the use of hearing aids and accessories, focusing on the emotional aspect of the difficulties and barriers that prevent the use of these devices. There remained room to continue to work towards improving these conditions and searching for the appropriate ways of achieving this goal.

Supportive community for the disabled

This pilot project provided, for a fee, a basket of services for people with disabilities living in the community, to help them “function independently and with dignity, to be involved in the community, to contribute to it and to receive help from it.” The project was carried out by the Disability and Rehabilitation Division of JDC-Israel, in collaboration with the National Insurance Institute, Ministry of Social Affairs and Social Services, Jewish Federations and Foundations outside the country (as sponsors), and local municipalities where the project was conducted.

The evaluation showed that the program was practical and could be applied in a variety of socio-demographic areas. The program was implemented successfully both by private sector service providers and by organizations that provide nursing services and help for the elderly and the needy. The high satisfaction of the members in all communities passed expectations, showing that the structure of the program was suitable for different environments and can be operated successfully by a variety of service providers.

## **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 2011 there were about 1,300 projects (including applications and projects in process); 150 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 2011), 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, early childhood intervention programs and accessibility infrastructure.

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. Additionally, during 2011, assistance was provided for the purchase of basic equipment for 170 new residents with disabilities which enabled the opening of 40 new community residences throughout the country. Also, during 2011, major funding was provided for the establishment of 6 new community residences for people with severe autism. In 2012, 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*.

Therapeutic Day Centers for Adults – During the past several years, the Fund has helped to establish a nationwide network of Therapeutic Day Centers for adults with severe physical, cognitive and emotional disabilities, who are unable to participate in employment programs. These Centers provide occupational, physical and speech therapy, assistance with activities of daily living, recreational programs and support for the families of the disabled.

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. During 2008 and 2009,, funding has been provided for the establishment and development of ten therapeutic pools.

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, focuses on major sites such as nature preserves, world heritage sites, museums and public recreation facilities. Priority is 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. In 2009, the Fund embarked on a national initiative to develop integrative municipal parks that promote play and social interactions between children with disabilities and their peers.

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.

Multi-service Centers – In the past few years, there has been a growing trend to develop multi-service centers that provide a wide range of programs under one roof, such as afternoon leisure clubs for children, respite services, small workshops, therapeutic day programs and support and referral services. The Fund has helped develop these centers especially in outlying, peripheral areas that have smaller numbers of clients, and where it is economically unfeasible to establish separate services.

## **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 2011 the Fund's assistance to developing new services amounted to about NIS 35 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 2010, the Fund initiated an innovative nationwide program of caregiver supportive groups for the children of frail elderly who live in the community. Another recently implemented project aims at enhancing hearing accessibility in day care centers for the elderly.

In 2011 the Fund approved 59 new programs, which included 50 community and 19 institutional projects. During this year, a total of 300 projects received funding from the Fund.

## **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 2011 is about NIS 8.5 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 2011, the Fund operated about 75 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.

150 projects have been approved to date (in the course of five years), and have begun to be implemented, with a total budget of NIS 200 million.

In 2009 and in 2010 the emphasis was 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, eighteen such Conventions have been concluded and are in force.

On January 1, 2012 a bilateral social security Convention with Slovakia came into effect.

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

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 40215 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	Pensionsmyndigheten, Box 855, SE 971 26 Lulea, 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 Lavorare 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	Pensionsstyrelsen, 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, PO 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 zabezpeceni, 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	CCRA, Ottawa Tax Services Office, 333 Laurier Avenue West, Ottawa ON K1A OL9 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
<i>Republic of Bulgaria</i>	March 25, 2008	September 1, 2009	All persons who are or who have been subject to the Israeli or Bulgarian social security legislation, their family members and their survivors.	Old-Age, Survivors, Disability, Work Injury and Maternity	National Social Insurance Institute, Directorate for European Integration and International Treaties, Alexander Stamboliiski Blvd 62-64, Sofia 1303, Republic of Bulgaria
<i>Slovak Republic</i>	June 15, 2010	January 1, 2012	Slovakian or Israeli citizens who are employees or self-employed and members of their families.	Old-Age, Survivors, Disability, Work Injury and Children	Socialna pistovna UL 29 augusta c. 8-10 813 63 Bratislava Slovenska republika

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



## **FUTURE CHANGES**

### Retroactive payment of benefits

Under an amendment to article 296 of the National Insurance Law to come into effect as of February 1, 2012, a benefit may be paid for up to 12 months that preceded the submission of the claim.

The change will apply to benefits submitted on February 1, 2008 or thereafter.

Presently, benefits can be paid for up to 48 months that preceded the submission of the claim.

### Improved benefits for disabled children

According to an amendment to the National Insurance Law in effect as of January 1, 2012, benefits to disabled children who are completely dependent on the help of others will be increased.

Every child over the age of 3 who has been diagnosed as being completely dependent on the help of others will receive an increment of 28% to his *benefit for disabled child*.

The increment will be paid to those children who were completely dependent on the help of others in any month after January 1, 2012.

The increment will be of the amount of NIS 593, and the total benefit will be of the amount of NIS 3,072 per month (not including the *additional monthly pension*).

The increment will be paid in two installments: the first in 2012 and the second in January 2013.