



Summary of Trends and Developments in Social Security

2012

**National Insurance Institute
Israel**

Research and Planning Administration



Summary of Trends and Developments in Social Security

2012

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INTRODUCTION

The scope of changes that came into effect in the Israeli social security system in 2012 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 2012: The scope of those entitled to benefit for disabled child was widened to include children who are not studying as well as children hospitalized for medical treatment, residents of Israel who became stricken with polio abroad may now be eligible for compensation, women residing in shelters for battered women may now be entitled to income support, ownership or use of a car no longer automatically rules out eligibility for income support, and hostile action benefits are now paid to couples who raise children orphaned from both parents as a result of a hostile action (terror act).

Benefits were raised in a number of branches: All benefits were adjusted according to the rise in the Consumer Price Index, old-age pension recipients may now receive their pension for a longer period retroactively, the benefit paid to completely dependent disabled children has been raised, the gradual raise in child allowances to the second, third and fourth children in families is continuing, and additional days of maternity leave (and consequently, additional maternity allowance) have been added due to the hospitalization of the infant.

A number of changes in the social security system were introduced in 2012 to improve administrative procedures or to correct distortions in the system: The automatic payments (without need to submit a claim) of the old-age pension and of the marriage grant have been extended, there is now automatic payment of maternity allowance after a risk pregnancy, the rules of continued payment of maintenance (alimony) to women who go abroad have been streamlined, a new pilot program in the Long-term Care (LTC) insurance branch allows elderly claimants to choose their preferred method of medical examination, the pilot for receiving an LTC benefit in cash has been extended, and a discharged soldier who is called into the reserves is no longer required to take the period of his reserve service into account in calculating the time after discharge for purposes of entitlement to the unemployment grant.

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, the ceiling for payment of contributions has been lowered and the minimum monthly income for contribution purposes has been raised.

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 demonstration projects were in operation in 2012 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 an extension of the "Housewife Law" for eligibility for old-age pension, changes in the rates of insurance contributions from employers, advancement of the date of payment of the attendance allowance, changes in the calculation of income from property taken into account for purposes of the income support benefit, changes in the conditions of entitlement to unemployment benefits and a new client service having all the local branches of the National Insurance Institute appearing on the WAZE cell-phone application.

GENERAL

Adjustment of national insurance benefits

National insurance benefits were adjusted by 2.6% in January 2012 in accordance with the Consumer Price Index.

Denial of half benefit due to nationalistic crime

Under Amendment no. 139 to the National Insurance Law, when a person is sentenced to at least 10 years in prison due to his having committed a crime of a nationalistic nature, half of any cash benefit that is paid to him under the National Insurance Law will be reduced.

The amendment applies only to the period after the person's release from prison (since benefits are denied in any case during the prison term), and is in effect as of May 14, 2012.

CLIENT SERVICE

In 2012, 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 144 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 center*, by means of credit cards. The *call center* handled over 4 million calls in the course of 2012.

This year too the NII website (address: <http://www.btl.gov.il>.) underwent improvements to provide better services and more information to the public, and it includes summaries of the NII's main policy reports, regulations of the NII Council and application forms to the NII Funds. The personalized service website, launched towards the end of 2010, 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.

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, a simulator to calculate the amount of maintenance (alimony) pay to which a woman may be entitled was added to the existing ones.

A new application, available in both Hebrew and Arabic, assists surfers to take up their rights in accordance with life events (such as dismissal from work, illness, bankruptcy, giving birth, etc.)

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 booklet "Your rights at the National Insurance Institute" is now available on the site in Amharic as well.

A new service that has been added this year to the 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) is the possibility of ordering authorizations and forms.

An additional service that will appear on the application is the provision of updated information regarding whether or not the branch is open to the public at that time, and the reception hours in general.

OLD-AGE AND SURVIVORS

Discounts to disabled elderly

Under recent regulations for senior citizens, persons who had received a disability benefit and upon reaching retirement age, began receiving an old-age pension at the rate of their disability pension – even if they do not receive an income supplement – are entitled to the same discounts provided to those elderly who receive an old-age pension plus income supplement.

These discounts include: discounts in municipal tax ("arona"), in sick fund fees, in medications and in phone bills – in addition to discounts in electricity bills, which they are already entitled to.

Some of the discounts come into effect in January 2012, and others retroactively from 2011.

Previous to the change, only those elderly who received an income supplement were entitled to the above discounts.

Automatic payment of marriage grant

As of January 2012, the process of automatic payment of marriage grant has been extended to include payment of the first part of the grant to all widowers who have remarried, according to the data available to the National Insurance Institute.

Previously, only the second part of the marriage grant had been paid automatically to both widows and widowers two years after their remarriage.

Retroactive payment of pensions

Under an amendment to the National Insurance Law, a person who submits a claim for old-age pension from the National Insurance Institute after having reached the absolute age of entitlement to the old-age pension – will be entitled to retroactive payment of the pension for 48 months (rather than only 12 months as previously).

The absolute age of entitlement is the age at which the old-age pension is paid to all eligible, without taking into account their income: men from age 70 and women from age 67-70, depending on their date of birth.

A person entitled to retroactive payment for a period preceding the absolute age of entitlement will receive this retroactive payment for this period for 12 months at most, and the overall period of retroactive payment will be 48 months at the most.

The amendment, in effect as of February 1, 2012, applies to all claims for old-age pension submitted on February 1, 2008 or thereafter.

Automatic payment of old-age pension at retirement age

As of August 1, 2012, the process of automatic payment of old-age pensions has been extended to include men and women who have reached the retirement age (the conditional age of entitlement to pension) and who do not have high incomes according to the income/occupation data available to the NII in the past 3 years.

These persons will not have to submit a claim for pension to the National Insurance Institute; their entitlement is determined in accordance with the information that the NII has available.

Support groups for caregivers

The rise in life expectancy has been accompanied by a rise in the rate of elderly people who are limited in their daily functioning and who are in need of help from others due to a physical or cognitive impairment or a combination of the two. According to recent statistics, about 17% of all elderly are limited in their functioning, a rate which rises significantly with the rise in age.

This situation, together with various social trends (such as changes in the family structure, occupation, living conditions, etc.), raises the need to relate to the family that cares for the elderly person and to develop programs and services aimed at assisting the family, it being the pillar on which the formal care at home rests.

With this background, the Counseling Service for the Elderly was a partner to the initiative of the Long-Term Care Fund of the NII, "Support Groups for Main Caregivers", which organized about 80 support groups throughout Israel on November 20, 2012.

Support groups take place at all local NII branches throughout the year.

The number of recipients of old-age and survivors' pension increased in 2012 by 2.9%, to 802,491 recipients as a monthly average.

The old-age and survivors' pension rates for 2012, basic and including income supplement, are shown in the following table.

Old-Age and Survivors' Pension Rates
2012 (NIS)¹

Old-Age	<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	1,481	1,950	2,419	2,226	2,695	3,164
with income supplement (age under 70)	2,714	4,305	5,209	4,031	4,935	5,839
with income supplement (age 70-79)	2,794	4,422	5,326	4,146	5,051	5,956
with income supplement (age 80+)	2,920	4,600	5,505	4,326	5,230	6,134
Survivors	<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	1,113	1,481	2,176	2,871	921	1,842
with income supplement (age under 70)		2,714	4,305	5,209	1,920	2,793
with income supplement (age 70-79)		2,794	4,422	5,326		
with income supplement (age 80+)		2,920	4,600	5,505		

¹ The rates in this and all other tables are monthly rates, if not otherwise indicated, given in Israeli new shekels. In 2012 the average exchange rate was approximately \$1 = NIS 3.78.

LONG-TERM CARE

80-89 Year-Old Claimants of Long-Term Care Benefit who Belong to Tiberias, Petah Tikvah or Jerusalem Local NII Branch

Under an amendment to the law, as of May 2012, claimants of long-term care benefit from the NII who are aged 80 to 89, and who belong to the Tiberias, Petah Tikvah or Jerusalem NII local branch, may choose between two methods of examination of their dependence on others:

- An examination of the claimant in his home by means of an evaluator sent by the National Insurance Institute (a nurse, physiotherapist or occupational therapist), as was the case up to now, or
- An examination of the claimant in his home by means of a geriatric doctor from a sick fund or from a public hospital (the option of choosing this method of examination is offered in the framework of a pilot in effect until April 30, 2013).

The examinations are fully financed by the National Insurance Institute; no payment is required of the claimant.

Extension of pilot of payment of long-term benefit in cash in the same local NII branches

The pilot allowing long-term care benefit recipients employing a full-time caregiver to choose, under certain circumstances, a cash benefit, been extended.

The pilot is being carried out in 9 local branches – Ashdod, Ashkelon, Bnei Brak, Holon, Jerusalem, Nahariya, Netanya, Ramat Gan and Tiberias – and it had been determined to run until December 31, 2012.

However, since the present Knesset dispersed on October 15th, 2012, and the next Knesset is expected to convene only at the end of May 2013, the pilot has been extended until April 30th, 2013.

The number of recipients of long-term care benefits rose in 2012 by about 5.0%, reaching about 152,711 recipients as a monthly average.

The long-term care benefit rates for 2012 are shown below.

Long-Term Care Benefit Rates 2012 (NIS)

<i>Partially dependent</i>				<i>Very dependent</i>				<i>Fully dependent</i>			
<i>Eligible for full benefit</i>		<i>Eligible for half benefit¹</i>		<i>Eligible for full benefit</i>		<i>Eligible for half benefit¹</i>		<i>Eligible for full benefit</i>		<i>Eligible for half benefit¹</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>
1,928	1,542	964	771	3,179	2,543	1,590	1,272	3,560	2,848	1,780	1,424
Increment to benefit to those employing an Israeli caregiver only				576	461	288	231	767	614	384	307

¹ 50% reduction as a result of income test.

GENERAL DISABILITY

Increase of benefit to disabled children who are completely dependent on the help of others

A change in the National Insurance regulations increases the benefit to disabled children who are completely dependent on the help of others to carry out daily activities (mobility in the home, eating, getting dressed, bathing and personal hygiene).

The benefit is to be increased in two stages:

1. On January 1, 2012, the benefit will be increased by 23% – or by NIS 487 a month;
2. On January 1, 2013, the benefit will be increased by an additional 5% – or by NIS 106 a month (in January 2012 prices).

The benefit for April 2012 includes the increment for all the disabled children who are completely dependent on the help of others. This increment is paid for the period beginning on January 1, 2012.

Those who became stricken with polio abroad

Under an amendment to the law in effect as of February 1, 2012, a resident of Israel who became stricken with polio abroad may also be eligible for compensation, on condition that he underwent an operation in Israel due to this disease before January 1, 1970.

Prior to the change, only persons who became stricken with polio in Israel were eligible for this compensation.

Expansion of entitlement to benefit for disabled child

Under an amendment to the National Insurance Law in effect as of August 2012, entitlement to benefit for disabled child was expanded:

- Beginning with the benefit paid on August 28th, 2012, an increment of NIS 424 to the benefit will be paid, for children who are not studying as well.

Until now, this amount had been paid only for children who are studying (as an increment to their benefit, or as part of their basic benefit); from now on this amount will be paid to all recipients of benefit for disabled child, so that there is no longer any need to submit authorizations on the child's studies.

- Beginning on August 1, 2012, a benefit for disabled child may be paid also to children hospitalized for mental treatment, if they meet all conditions of entitlement.

Until now, hospitalization for mental treatment disqualified a disabled child from receiving benefit.

- A child who is in need of 4 medical treatments out of the treatments listed in the regulations for two or more chronic diseases is now entitled to benefit at the rate of 100%.

Until now, only a child in need of 3 medical treatments out of the treatments listed in the regulations for one chronic disease was entitled to benefit at the rate of 100%.

 In the year 2012 the number of general disability allowance recipients grew by 2.2%, reaching about 217,580 as a monthly average. The number of attendance allowance recipients and recipients of benefit for disabled child rose by 7.4% and 8.9%, respectively.

The general disability benefit and attendance allowance rates for 2012 are shown in the following table.

General Disability Benefit and Attendance Allowance Rates
2012 (NIS)¹

General Disability	<i>Individual</i>		<i>Couple</i>		<i>Couple with child²</i>	
	2,267		3,400		4,307	
	<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	1,060	297	2,225	604	3,708	901

¹ 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.

² 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 2012.

The mobility allowance rates for 2012 are shown in the following table.

Mobility Allowance Rates for Earner¹ 2012 (NIS)

Period	<i>Owns private vehicle (drives himself)</i>				<i>Owns 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	1,709	2,364	2,882	3,214	3,801	5,379	7,668	3,583

The number of recipients of mobility allowance grew in 2012 by 3.4%.

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

INCOME SUPPORT

Entitlement of women residing in shelters to income support

Under Amendment 39 to the Income Support Law, in effect as of March 2012, a woman who resides in a shelter for battered women, as well as her children, may be eligible for an income support benefit, on the following conditions:

1. She has resided in the shelter for at least 31 consecutive days;
2. She had been entitled to an income support benefit in the month preceding her moving into the shelter.

Previous to the change, such women were not eligible for benefit, since under the Income Support Law, a person residing in an institution whose entire maintenance is paid by the State are not eligible for an income support benefit. This issue was resolved under the new amendment by having the NII collect a participation fee at the rate of 25% of the amount of the income support benefit from the women in the shelters. Women who have resided for up to 30 consecutive days in the shelter are exempt from the participation fee.

Ownership of a vehicle or regular use of a vehicle no longer rule out eligibility for an income support benefit

Under an amendment to the National Insurance Law in effect as of September 1, 2012, a person who owns or uses one vehicle (including a motorcycle) that is worth up to NIS 40,000 may now be eligible for an income support benefit. Previously, a person who owned or used a vehicle could be eligible for this benefit only in very specific circumstances.

A certain sum, calculated in accordance with the value of the vehicle and with the insured's work status (whether or not he works) is deducted from the income support benefit paid to him.

The amount deducted from the benefit of a person who works and earns a monthly salary equivalent to less than 25% of the average wage – that is, less than NIS 2,155 as of January 1, 2012 – or from the benefit of a person who has reached retirement age and earns a monthly salary equivalent to less than 17% of the average wage – that is, less than NIS 1,465 as of January 1, 2012 – is lower than the amount to be deducted from the benefit of those who do not work at all or those who work but earn less than the above-mentioned amounts.

In the following cases, those who own or use a vehicle valued at over NIS 40,000 are eligible for an income support benefit from which no deductions are made due to their vehicle:

- He is recognized as an authorized driver of a leg-injured disabled person who is entitled to a mobility allowance (even if the disabled person is not his spouse or child);
- He receives a benefit for disabled child for his child;
- Due to the illness of himself or of his spouse, the vehicle license of the one ill has been deposited at the licensing bureau;
- He frequently transports an ill family member in his vehicle for purposes of medical treatment.

In all these cases, an authorization must be provided in accordance with the opinion of an NII physician.

The National Insurance Institute will begin paying benefits under the new amendment and in accordance with the new rules in December 2012. The December 2012 benefit will be paid together with a retroactive benefit from September to 2012 to those entitled.

 The number of families receiving income support benefits decreased by 1.4% in 2012, to 103,766 recipients as a monthly average.

The income support benefit rates for 2012 are shown in the following table.

Income Support Benefit Rates
2012 (NIS)

Family composition	<i>Under age 55</i>		<i>Aged 55 or over</i>
	<i>Regular rate¹</i>	<i>Increased rate²</i>	
<i>Individual</i>	1,674	1,883	2,093
<i>Individual with 1 child³</i>	2,511	2,804	2,966
<i>Individual with 2 or more children³</i>	2,804	3,139	3,468
<i>Couple</i>	2,302	2,511	3,139
<i>Couple with 1 child</i>	2,511	2,804	3,641
<i>Couple with 2 or more children</i>	2,804	3,264	4,143
<i>Single parent with 1 child</i>	2,804	2,804	3,384
<i>Single parent with 2 or more children</i>	3,264	3,264	4,221

¹ 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.

² Paid to persons who had been entitled to the increased rate of benefit in December 2002.

³ Not defined as a single parent in the Single-Parent Families Law.

MAINTENANCE (ALIMONY)

Payment of maintenance to a woman who goes abroad

Under an amendment to the Maintenance Law in effect as of July 30, 2012, a stay abroad for a full calendar month will not rule out entitlement to maintenance payment. Furthermore, a woman may go abroad for 3 times in the course of the calendar year without this influencing her entitlement to maintenance payment, on condition that the total number of her days abroad is not over 72 days.

A woman who goes abroad four times during the calendar year will not be entitled to maintenance payment beginning with her fourth trip: for the month that she went abroad, for the month of her stay abroad and for the month of her return to Israel.

Further, maintenance will not be paid to a woman who goes abroad less than four times during the calendar year, but her total period of absence amounts to over 72 days in the year.

The previous condition of entitlement to maintenance in the month prior to the trip abroad has been repealed. In addition, the amendment anchors in law the exception to the disqualifying of payment regarding a woman who goes abroad on behalf of her employer and on his account. Regarding the exception for women who go abroad to accompany a sick family member in need of medical treatment abroad, to the list of such family members (son, daughter, spouse, parent) was added: brother or sister.

In 2012 an average of 18,745 women received maintenance benefits from the National Insurance Institute every month.

The maintenance rates for 2012 are shown in the following table.

Maintenance Rates 2012 (NIS)

Family composition	Woman under 55	Woman aged 55 or over
<i>Single woman without children</i>		
<i>Previously entitled¹</i>	1,883	
<i>Newly entitled²</i>	1,674	2,093
<i>Single woman with children</i>		
<i>With one child</i>	2,804	3,384
<i>With 2 or more children</i>	3264	4,221
<i>Woman who remarried</i>		
<i>With one child</i>	1,920	1,920
<i>With 2 or more children</i>	2,793	2,793
<i>Children alone</i>		
<i>One child alone</i>	1,920	
<i>2 children alone</i>	2,793	
<i>Each additional child</i>	837	

¹ Entitled to maintenance before January 1, 2003.

² 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 continued to be gradually raised from July 1, 2009 to April 2012.

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

 In 2012, the number of families receiving child allowance grew by 1.9%, and about a million families (as a monthly average) receive allowances for about 2.6 million children.

The child allowance rates for 2012 are shown below.

Child Allowance Rates (per child)¹ 2012(NIS)

Date of birth of child	Period	<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>	173	195	284	446	384
	<i>April-December</i>	173	259	291	453	384
On or after June 1, 2003	<i>January-March</i>	173	195	252	252	173
	<i>April-December</i>	173	259	259	259	173

¹ 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

Additional days of maternity leave due to hospitalization of infant

On February 27, 2012, an amendment to the Women's Work Law came into effect, and subsequently, Amendment 51 to the National Insurance (Maternity) Law was enacted, which repeals all previous entitlements to extension of maternity leave – and consequent increase of maternity allowance – due to the hospitalization of the infant.

Under the amendment, in effect as of February 2012, a mother entitled to payment of maternity allowance for the full period, 14 weeks, whose infant had to stay in the hospital or to return to the hospital in the course of her maternity leave for a period of over two weeks, may extend her maternity leave for the period of the child's hospitalization, but for no more than ten weeks at the most – and will receive maternity allowance accordingly. (Maximum period: 14 plus 10, or 24 weeks in the case of the birth of one child).

A mother entitled to payment of maternity allowance for 14 weeks who gave birth to more than one child in one birth is entitled to an additional three weeks of maternity leave for every additional child born in that birth.

A mother entitled to payment of the maternity allowance for a partial period, 7 weeks, whose infant had to stay in the hospital or to return to the hospital in the course of her maternity leave for a period of over two weeks, may extend her maternity leave for the period of the child's hospitalization, but for no more than six weeks at the most – and will receive maternity allowance accordingly. (Maximum period: 7 plus 6 or 13 weeks in the case of the birth of one child).

A mother entitled to payment of maternity allowance for 7 weeks who gave birth to more than one child in one birth is entitled to an additional two weeks of maternity leave for every additional child born in that birth.

A father who replaces his wife during her maternity leave may also benefit from the extension of the leave due to the child's hospitalization.

The amendment applies also to adopting parents and to foster parents.

Automatic payment of maternity allowance after risk pregnancy

With the aim of expanding the number of women who receive the maternity allowance automatically, and out of the desire to reach a fuller take-up of rights, the process of authorizing entitlement to maternity allowance automatically to women who have been paid a risk pregnancy benefit has been completed.

These women will receive the allowance automatically into their bank accounts, without having to submit a claim, as of September 2012.

The number of recipients of both the hospitalization grant and the maternity allowance went up by about 3.5% in 2012.

The rates of the various maternity benefits for 2012 are shown in the following table.

Maternity Insurance Benefit Rates
2012 (NIS)

Period	<i>Hospital-ization grant</i>	<i>Birth grant (for birth of one child only)</i>			<i>Maximum daily maternity allowance</i>
		<i>For the first child</i>	<i>For the second child</i>	<i>For the third child and subsequent children</i>	
<i>January- April</i>	10,978	1,695	763	509	1,413
<i>May-June</i>	11,002	1,695	763	509	1,413
<i>July-Dec.</i>	11,295	1,695	763	509	1,413

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 2012.

In 2012, the number of recipients of work injury allowance increased by 3.3%. 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 0.7%.

The maximum rates in 2012 for daily work injury allowance and monthly work disability benefit are shown below.

Maximum Work Injury Allowance and Work Disability Benefit Rates 2012 (NIS)

<i>Daily work injury</i>		<i>Monthly work disability</i>	
<i>Employees¹</i>	<i>Self-employed and employees²</i>	<i>Employees¹</i>	<i>Self-employed and employees²</i>
635.63	1,059.38	19,069	31,781

¹ Employees injured before January 1, 1995.

² 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 2012.

HOSTILE ACTION CASUALTIES

Payment for couples who raise children orphaned from both parents as a result of a hostile action

Under new regulations to Article 7D (A) of the Hostile Actions Benefits Law, couples who raise children orphaned from both parents as a result of a hostile action will receive a benefit due to a lack of income during the period that they raise these children, until the youngest child reaches the age of 18.

The new regulations define a lump-sum retroactive payment as of October 1, 2000 for such couples, as well as a regular monthly benefit.

The regulations are in effect as of February 1, 2012.

RESERVE SERVICE

All persons serving in the military reserves in accordance with the Defense Service Law or in training under the Emergency Work Service Law (including civil servants, students, etc.) are entitled to a reservist's benefit for every day of service or training, from the first day in the course of the year. The benefit is at the full rate of the reservist's daily income.

In addition, grants are provided to youth under the age of 18 who take part in pre-military training (*Gadna*), most of whose time is devoted to study, on condition that they worked for at least 30 working days during the three months that preceded their taking part in the pre-military training.

No major changes in the Reserve Service branch took effect in 2012.

The minimum and maximum daily reserve service benefit rates for 2012 are shown below.

Reserve Service Benefit Rates – Per Day **2012 (NIS)**

<i>Minimum</i>	<i>Maximum</i>
189.72	1,395

UNEMPLOYMENT

Extension of period after discharge from regular army for entitlement to grant to soldier who served in reserves

A discharged soldier who worked at a job recognized as *preferred/ vital work*, to which he was referred by the Employment Service, for at least 6 months out of the 24 months from the day of his discharge from compulsory military service, is entitled to a grant.

Under Amendment 135 to the National Insurance Law, which came into effect in March 2012, in cases in which a discharged soldier is not able to complete the work period necessary for entitlement to the grant due to his having to serve in the military reserves, the 24-month period may be extended so that the period of his reserve service will not be counted.

Previous to the change, in all cases, the work period was counted out of 24 months from the day of discharge.

The number of recipients of unemployment benefit increased in 2012 to a monthly average of about 62,000 recipients. The unemployment benefit rates for 2012 are shown below.

Unemployment Benefit Rates 2012 (NIS)

<i>Maximum daily benefit to a single person¹</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>
344.76	229.84	97.92 (?)	9,239

¹ 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 and spouses of disabled persons unsuitable for rehabilitation (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 and together with 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 26,000 rehabilitees in 2012.

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 2,730 such acts, injuring 20,867 people and killing 1,085. 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 Pillar of Defense operation 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 2012 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

Lowering of ceiling for payment of insurance contributions

In 2012, the ceiling for payment of insurance contributions was lowered to five times the basic amount (from 9 times the basic amount in 2011).

Raising of minimum monthly income for contribution purposes

The minimum monthly income for contributions purposes was raised on October 1, 2012 from NIS 4,100 to NIS 4,300.

The contribution rates for December 2012 for the various insurance branches, in addition to health insurance contributions, are shown in the following table.

Insurance Contribution Rates
December 2012 (percentages)

Insurance branch	Employee						Self-employed	
	Total ¹		On employee's account		On employer's account			
	full rate	reduced rate ²	full rate	reduced rate ²	full rate	reduced rate ²	full rate	reduced rate ²
<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	--	--
Total Insurance Branches	12.90	3.85	7.00	0.40	5.90	3.45	11.23	6.72
<i>Health</i>	5.00	3.10	5.00	3.10	--	--	5.00	3.10
Total Contributions	17.90	6.95	12.00	3.50	5.90	3.45	16.23	9.82

¹ 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%.

² 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 2012 the Fund for Demonstration Projects of the NII dealt with 301 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 20 million.

Research evaluations of projects completed – and with reports published in 2012 – are described below.

From employment crisis to subsistence

The research dealt with the implementation of the project in the kibbutz sector. The project was carried out as a pilot in six kibbutzim which geographically belong to the regional councils of the Northern Negev: Sha'ar HaNegev Regional Council, Bnei Shimon Regional Council, and Yoav Regional Council. The project was conducted by the "Ma'avaram" Center, which deals with providing solutions in the field of employment to the rural sector and its residents and is funded by the Demonstration Projects Fund of the NII in collaboration with government ministries and additional public organizations.

Implementation of the kibbutzim model was characterized by vast activity inside the model's kibbutzim, on the regional space and the national level. Great efforts were taken in influencing the employment situation for kibbutz members. Nevertheless, the project did not significantly contribute to the kibbutz members who took part therein and did not greatly improve their employment situation.

Child-Parent Centers

Child-Parent Centers (CPCs) are an innovative community service aimed at children at risk and their parents. They respond to the needs of children of elementary-school age suffering from emotional/behavioral problems due to poor parenting, and to the needs of their parents. The goal of the CPCs is to improve the children's emotional, social and behavioral conditions, the child-parent relationship and parental care so that they may go on living at home.

The first center opened in Haifa in 1998 and today there are some 50 such centers countrywide. New, different models continue to be developed by MSASS and Ashalim, including mobile CPCs.

MSASS, the National Insurance Institute (NII – the Fund for Demonstration Projects) and Ashalim launched the mobile CPC model on an experimental basis in two regions: in Arab communities in northern Israel, and in Jewish communities in the Sharon Plain. The northern center began to function in January 2005 and the Sharon center in September 2005.

The development of the mobile centers was overseen by an evaluation study conducted by the Myers-JDC-Brookdale Institute and initiated and funded by the NII Fund for Demonstration Projects.

Two measures (at the start and end of treatment) examined four aspects of parental functioning: deficient daily care of children, problems in parental contact with the school framework, emotional problems in the parental relationship with children, discipline problems with the children. The findings show a clear, significant decrease in the problems of deficient daily care of children, in the rate of children whose parents were characterized by emotional difficulties in the child-parent relationship, and in the rate of children whose parents found it difficult to enforce discipline.

"Even-Derech": a rehabilitation program for juvenile convicts

The "Even-Derech" program was designed to alleviate the transition from imprisonment to normative out-of-prison life for juvenile convicts. The Even-Derech center is a framework meant to diminish the inevitable downfalls during the transition period from jail to the community by means of day-care educational, treatment and rehabilitation programs, combined with residence arrangements.

The experimental phase of the project, accompanied by an evaluation research, began in May 2007 and lasted for 3 years. During that time, 125 minors passed through the Even-Derech center, with an average of 6-12 minors per month.

Participants in the Even-Derech project were divided into three groups: Israeli-native Jews, Israeli-Arabs and new immigrants. They came from diverse socio-economic backgrounds. Less than 40% of them had formal education up to 12th grade. Roughly one out of 6 boys did not have education past 8th or 9th grade.

50% of the participants completed the program while the other half dropped out. A correlation was found between success probability and 7 background variables: Buchori language speaking; 12th grade graduates; sons of married or divorced/separated parents; first-time imprisonment convicts; violence and drugs offenders and non-compound tenants.

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 2013, the Fund will begin providing assistance to private service providers for the development of new employment services. In the year 2012 there were about 1,400 projects (including applications and projects in process); 120 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 2012), 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, accessibility infrastructure and new assistive technologies.

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 2012, assistance was provided for new buildings, renovations and the purchase of basic equipment for 280 new residents with disabilities which enabled the opening of 20 new community residences throughout the country. . In 2012, the Fund focused on developing community residences for individuals with autism or 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.

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.

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. The Fund will now be focusing its efforts in assisting special education schools for children with severe disabilities and on transitional programs for the 16-21 age group.

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 2011, 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. In 2013 the Fund will provide assistance for building five new 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. During the period of 2013 and 2014, the Fund will also significantly expand its budget for accessibility projects and will be focusing on new areas of involvement. These will include: developing new accessible technology, accessibility in colleges and universities, accessible adaptations in National Landmarks, experimental accessibility programs for people with a cognitive disability and a special initiative for accessibility in Jerusalem’s Old City, a site which annually attracts many millions of visitors. In 2013, the Fund will begin on a national initiative to develop integrative municipal parks that promote play and social interactions between children with disabilities and their peers. Additionally, the Fund will be establishing a model accessible neighborhood together with the Jerusalem municipality, which will serve as a learning resource for municipalities and organizations nationwide.

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. In recent years, the Fund has also focused on assisting institutions for residents with severe motor disabilities and residences for young adults with severe emotional and behavioral disorders.

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 2012 the Fund's assistance to developing new services amounted to about NIS 35.2 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 the following 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; additions and upgrading of beds and the physical environment in nursing homes.

In 2012, the Fund assisted in the acquisition and operation of 3 mobile units for dental care, and one mobile unit for visual care.

In 2012 the Fund approved 34 new programs, which included 30 community and 4 institutional projects. During this year, a total of 280 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 2012 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 2012, 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, nineteen such Conventions have been concluded and are in force.

On January 1, 2013, a bilateral social security Convention with Romania will come into effect.

The Convention guarantees continuity of social security rights to persons who have been insured under the Israeli or Romanian social legislation and who move from one country to the other.

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

Furthermore, it arranges for an exemption from double payment of insurance contributions for employees and for self-employed persons, as well as for persons who are not gainfully occupied who move from one country to the other.

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

Bilateral Conventions

Country	Date of Signature	Operative Date	Coverage	Insurance Branches	Competent Institution
<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 ¹
<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, ² Maternity, 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

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

² Cash benefits only (not hospitalization).

Bilateral Conventions (cont'd)

Country	Date of Signature	Operative Date	Coverage	Insurance Branches	Competent Institution
<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 Ubezpiepieczen 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 ¹
<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 0L9 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>Republic of Slovakia</i>	July 15, 2010	January 1, 2012	Slovakian or Israeli citizens, refugees and stateless persons who are employees or self-employed.	Old-Age, Survivors, Disability, Work Injury and Children	Socialna Poistovna Ustredie (SIA) -426- U1.29 augusta 8 a 10, 81363 Bratislava 1 Slovak Republic
<i>Republic of Romania</i>	February 28, 2011	January 1, 2013	All persons who are or who have been subject to the Israeli or Romanian social security legislation, their family members and their survivors.	Old-Age, Survivors, Disability and Children	

¹ An additional institution in Finland: Elaeketurvakeskus, 0065 Elaeketurvakeskus, Finland.

FUTURE CHANGES

Extension of "Housewife" Law for eligibility for old-age pension

Amendment 7 (1996) to the National Insurance Law determined that housewives, as well as widows who receive a survivors' pension or dependents' pension, and who do not work and are not self employed, will be eligible for an old-age pension in their own right under the following conditions:

1. They were born after December 31st, 1930.
2. They were Israeli residents for 5 years preceding their reaching the absolute age of entitlement to an old-age pension.

Amendment 138 to the National Insurance Law expands Amendment 7, and determines that even housewives and widows receiving a pension who were born before January 1, 1931 are eligible for an old-age pension in their own right, as of January 2013.

Change in rates of insurance contributions from employers

Under the Law to Reduce the Deficit enacted by the Knesset in August 2012, the rates of insurance contributions to be paid by the employer for his employees will be raised in January 2013 from 5.90% of wages to 6.50% of wages (rise of 0.6%).

Furthermore, Amendment 143 to the National Insurance Law determined that the total insurance contributions to be collected from employers from the share of wages that is over 60% of the average wage will be raised gradually. This process will begin in 2013 and continue up to 2016.

Advancement of date of payment of attendance allowance

Under an amendment to the National Insurance Law to come into effect on February 1, 2013, the attendance allowance paid to the severely disabled may, under certain circumstances, be paid from the 31st from the day on which the event occurred that provided the grounds for entitlement, rather than only after the 90th day, as presently.

Under the amendment, all those who meet the following conditions (apply to the vast majority of attendance allowance recipients) will be able to receive this benefit after the 31st day:

- His claim was submitted after September 1, 2012;
- A medical disability degree of at least 75% was determined for him for purposes of attendance allowance;
- He has been dependent on the help of others – or in need of supervision – for at least 6 consecutive months;
- He is not entitled to a benefit for disabled child from the National Insurance Institute during this period.

The change is expected to provide relief to this population group, suffering from difficult medical problems.

Change in calculation of income from assets taken into account for purposes of income support benefit

Under an amendment to the Income Support Law in effect as of March 1, 2013 (in some cases, retroactively from September 1, 2012), the income of a claimant of income support from assets will be calculated differently in examining his entitlement to income support and in determining the rate of benefit.

Under this amendment, the value of income from financial assets will be determined according to the interest rate and adjusted annually, while the value of income from real estate will be determined according to the designation of the asset: agricultural, dwelling or commercial.

The income from the asset for purposes of income support will be affected – in addition to the value of the asset – by family composition and the age of the claimant.

Presently, the value of income from assets is at the uniform rate of 8% divided by 12, for all kinds of assets.

Changes in conditions of entitlement to unemployment benefit

Under Amendment 141 to the National Insurance Law, to come into effect in April 2013, the conditions of entitlement to the unemployment benefit will be changed as follows:

- The qualifying period for all kinds of salaried workers will be counted as employment months, and not as employment days, as presently, so that even a few work days in a month will be considered as a month of work.
- The qualifying period will be 12 work months out of the 18 months that preceded the unemployment (rather than 360 work days out of the last 540 days for regular monthly employees and 300 days for daily employees, as presently).
- The rate of the benefits will be calculated on the basis of the claimant's average salary in his last 6 work months that preceded the determining date (the 1st of the month in which the unemployment began), rather than in his last 75 work days, as presently.

The changes are expected to increase the number of persons entitled to unemployment benefits.

WAZE cell-phone application

A new client service expected to be available in 2013 will have all the local branches of the National Insurance Institute appearing on the WAZE cell-phone application.

Drivers who use WAZE will be able to see branded pins of the local NII branches while driving in the area, and of course will be able to search and find the local branch nearest to them, or a list of all the branches.

An additional service that will appear on the application is the provision of updated information regarding whether or not the branch is open to the public at that time, and the reception hours in general.