



**NATIONAL INSURANCE INSTITUTE  
ISRAEL  
Research and Planning Administration**

**Summary  
of  
Developments and Trends  
in Social Security**

**2002**

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## INTRODUCTION

In 2002, 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. Among improvements in this sphere over the past year, worthy of mention are office renovations, staff training and particularly, the use of ever-changing technologies for client self-service. For example, the *kiosk* (self-service station) is continuing to expand in many ways: it now offers a wide range of forms, in addition to the already available authorizations on benefits and contributions; there are now about 40 kiosks dispersed all over the country, outside local branches as well as in municipality buildings; they now operate beyond reception hours, almost 24 hours a day.

A new NII nationwide *call center*, in addition to the one located in Rehovot, has been set up in Dimona, in southern Israel. The centers may now be reached almost 24 hours a day, and besides general information, provide personal information to callers, more and more of whom are now equipped with the secret code necessary for this purpose; recipients of alimony and mobility benefits received a secret code in 2002, in addition to those who already enjoy this service (recipients of old-age pensions, survivors' pensions, disability pensions, unemployment benefits and income support benefits).

The NII web site is undergoing constant development to provide more and better services and information to the public, and clients will soon be able to pay insurance contributions through the Internet. (The NII address on Internet: <http://www.btl.gov.il> The e-mail address: [btlfeed@btl.gov.il](mailto:btlfeed@btl.gov.il)).

The scope of changes that came into effect in the Israeli social security system in 2002 can be viewed as the result of a precarious balance between two forces: on the one hand, the strict measures (incorporated into the Economy Arrangements Law and the Emergency Economy Program Law) entailed by the economic situation of the country and the need for budget cuts; and on the other hand, the continued efforts of the National Insurance Institute to ensure, insofar as possible, that the value of benefits is maintained and to improve the lot of the growing needy population. These efforts are augmented, in some cases, by pressures on the part of certain groups, such as the recent strike by the disabled. In the final analysis, changes in both opposing directions came into effect, as can be seen in the present report.

The scope of the population eligible for various benefits was widened by various means. In Disability Insurance, a disability pension may be paid to a returning resident whose incapacity to work began when he was not a resident of Israel. In Unemployment Insurance, security guarding at schools is considered a *required job* for purposes of entitlement to grant (as a temporary instruction). Finally, foster mothers of small children may be eligible for an income support benefit even if they are not working or available for work.

Levels of certain benefits were raised in 2002, two of them improving the situation of elderly disabled: Firstly, the old-age pension paid by the NII to disabled persons when they reach the age of eligibility for this pension has been set as no lower than the disability pension they had received previously. Secondly, not all the income from the retirement pension of those disabled who have retired from work is deducted from their disability pension, as previously.

Two additional changes in Disability Insurance improve the situation of disabled children. Firstly, those receiving benefit for disabled child at the rate of 100% or more of the full individual disability pension now receive an increment of 17% to their benefit. Secondly, the benefit for disabled child no longer decreases with the child's age.

Further, all disabled persons with a degree of incapacity of at least 75% receive an increment to their disability pension, as do all recipients of attendance allowance.

In Mobility Insurance, non-drivers no longer receive a reduced allowance, and the rates of mobility allowance paid to the elderly have been increased.

In Maternity Insurance, women may be entitled to further extensions of their maternity leave, on certain conditions, and the maternity allowance is paid them accordingly.

Other changes resulted from the cutbacks of the Economic Arrangements Law. Firstly, a freeze was placed on the level of the average wage, so that the level of all benefits linked to the average wage decreased in March 2002 to their December 2001 level, remaining at that level throughout 2002.

The income support benefit is no longer paid automatically at the increased rate to all those who had received the benefit for two years at the regular rate. In Work Injury Insurance, the maximum period for payment of injury allowance was reduced. In Unemployment Insurance, the rights of unemployed persons under 40 who claim benefit in the space of 4 years were reduced, as were benefits for unemployed persons under 25. In addition, the qualifying period for entitlement to unemployment benefit was made longer.

In the system of collection of national insurance contributions, the income ceiling for purposes of collection was abolished, meaning that high-income employees and self-employed are now obligated to pay contributions. In addition, the rate of contributions from employees and self-employed in most branches was raised by 1%. On the other hand, the scope of population exempt from payment was widened to include those who were recruited into the army before age 21.

As in previous reports, the present report includes a chapter on the Rehabilitation Department, whose task is to provide vocational rehabilitation services to various population groups, such as the work injured, disabled and widows.

Aside from the granting of benefits and the provision of vocational rehabilitation, the NII allots a significant share of its budget each year to a number of Funds, responsible for developing services for needy groups in the community, notably 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), and activities aimed at work safety and the prevention of work accidents, described in chapters on the *Fund for Development of Long-Term Care Services* and the *Fund for Activities of Safety and Hygiene in the Workplace*.

Furthermore, the National Insurance Institute 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. The projects are all geared specifically

towards those population groups which benefit from the NII's services: senior citizens, families, mothers, children and youth, the disabled, widows, orphans, the unemployed and military reservists. About 240 demonstration projects were in operation in 2002 alone, and a sample of these is described in the chapter on *Demonstration Projects*.

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 negotiation with additional countries in order to expand the scope of international cooperation by means of such Conventions.

Lastly, this 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.

## GENERAL

### Reduction in level of benefits

The Economy Arrangements Law-2002, ratified in February of that year, reduced the average wage as defined in the NI Law (for purposes of calculating benefits determined in the law as percentages of the average wage) to its 2001 level, as a temporary order, in March 2002, and froze it as this level until December 2002. The significance of the amendment is the reduction of benefits by 1.2% and their non-adjustment throughout 2002. This applies to old-age and survivors' pensions with and without income supplement, income support benefits and alimony payments. This amendment does not apply to the general disability pension, to its derivatives (benefit for disabled child and attendance allowance), nor to the long-term benefit linked to the general disability pension.

Furthermore, under the Emergency Economy Program Law, most benefits were reduced by an additional 4% in July 2002.

Specific changes under these two laws can be found in the relevant chapters.

## OLD-AGE AND SURVIVORS

Every elderly person in Israel, regardless of his income or work history, is entitled to a basic old-age pension. This basic pension is calculated as a set percentage of the average wage and guarantees a minimum level of basic subsistence. Persons who have no source of income other than the pension or whose other income is very low receive an *income supplement* up to a level determined in the Income Support Law, and financed by the general revenue.

Every Israeli resident reaching the age of 18 is insured in old-age insurance, except for new immigrants who were 60 years of age or over upon their arrival in the country (who receive a special old-age pension not under the National Insurance Law)

When an insured person dies, his survivors – spouse and children – are entitled to a monthly survivors' pension or to a lump-sum grant.

No major changes in Old-age and Survivors' Insurance took effect in 2002.

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The number of recipients of old-age and survivors' pension rose in 2002 by 3%, reaching 697,663 recipients as a monthly average.

The old-age and survivors' pension rates for 2002, basic and including income supplement, are shown in the following table.

**Old-Age and Survivors' Pension Rates**  
2002(NIS)<sup>1</sup>

<b>Old-Age</b>	Adult	Adult with one child	Adult with two or more children	Couple without children	Couple with one child	Couple with two or more children
<i>- basic<sup>2</sup></i>						
January - February	1,128	1,481	1,834	1,692	2,045	2,398
March - December	1,114	1,462	1,810	1,671	2,019	2,367
<i>- with income supplement</i>						
January - February	1,886	3,032	3,786	2,829	3,583	4,338
March - December	1,863	2,996	3,394	2,795	3,540	4,284
<b>Survivors</b>	Young widow/er	Widow/er	Widow/er with one child	Widow/er with two children	Orphan	Two orphans
<i>- basic</i>						
January - February	846	1,128	1,657	2,186	705	1,410
March - December	836	1,114	1,636	2,158	696	1,292
<i>- with income supplement</i>						
January - February	1,886	1,886	3,032	3,786	1,589	2,296
March - December	1,863	1,863	2,996	3,741	1,570	2,270

<sup>1</sup> The rates in this and all other tables are given in Israeli new shekels. In 2002 the average exchange rate was approximately \$1 = NIS 4.74.

<sup>2</sup> As of July 2002, the actual sum of this benefit received by beneficiaries was reduced by 4%, in accordance with the Economy Arrangements Law.



## LONG-TERM CARE

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

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

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

No major changes in Long-Term Care Insurance came into effect in 2002.

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 The number of recipients of long-term care benefits rose in 2002 by about 6.5%, reaching about 112,250 recipients as a monthly average.

The long-term care benefit rates for 2002 are shown below.

### Long-Term Care Benefit Rates 2002 (NIS)

Month	Partially dependent				Fully dependent			
	Eligible for full benefit		Eligible for half benefit <sup>1</sup>		Eligible for full benefit		Eligible for half benefit <sup>1</sup>	
	services	cash	services	cash	services	cash	services	cash
Jan.- June	1,763	1,410	1,882	705	2,645	2,116	1,323	1,058
July - Dec. <sup>2</sup>	1,692	1,354	846	677	2,538	2,030	1,296	1,015

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

<sup>2</sup> The sums that appear here are after the reduction of 4% in accordance with the Economy Arrangements Law.

## GENERAL DISABILITY

### Old-age pension for disabled

Under Amendment no. 54 to the National Insurance Law (article 251), in effect as of January 2002, the old-age pension paid to disabled persons (now called: *old-age pension for disabled*) shall not be lower than the disability pension they had received just prior to their having reached the age of eligibility for old-age pension.

Furthermore, the new *old-age pension for disabled* shall be updated whenever the disability pension is updated, and at the same rates.

Previously, an old-age pension at the rate of the disability pension was paid only to those who had received their disability pension for the 12 months immediately preceding their reaching the age of eligibility for old-age pension. Other disabled persons, upon reaching this age, began receiving an old-age pension that was often lower than the disability pension they had received.

### Benefit for disabled child not to decrease with age

Under a change in the regulations, the benefit paid for a disabled child will no longer be decreased with age.

In 1979, the only grounds for entitlement to benefit for disabled child was the need for the help of others for the performance of everyday functions, to a degree significantly greater than normal for the child's age group.

With the addition of new cases (*automatic diseases*) entitling to benefit, it was determined that for some of these cases, such as deterioration in hearing, the rate of benefit would be decreased with the child's age, on the assumption that the child becomes more independent as he grows older.

In the course of the years, the regulations evolved and a list of medical treatments entitling the child to benefit was determined. This list does not assume the existence of dependence on the help of others, but rather a heavy burden of treatment on the family. In the light of this development, there is no longer any real basis for decreasing the benefit with age.

The change is in effect as of February 1, 2002, and it applies to all benefits for disabled child paid as of August 1, 2002.

### Increment to disability pension

As of March 2002, persons with a degree of incapacity of at least 75% shall receive an increment to their disability pension, according to the rate of their medical disability, as follows:

Medical disability of 80% or over	17% increment
Medical disability of 70%-79%	14% increment
Medical disability of 50%-69%	11.5% increment

Following this change, all disabled persons with a medical disability of under 80% may submit an appeal to the Medical Board of Appeals.

#### Deduction of income from disability pension

Amendment 46 to the National Insurance Law introduced new rules to the deduction of income from “pension” (retirement pension) from the disability pension. These rules improve the situation of retired disabled persons.

Under the amendment, income from retirement pension of a sum of up to 17% of the average wage shall not be deducted at all from “the remainder of the (disability) pension” (the amount of his disability pension that is over the full monthly disability pension). Income from retirement pension that is more than 17% of the average wage shall be deducted in full from the “remainder of the (disability) pension.”

Previous to the change, all income from retirement pension was deducted in full from the “remainder of the disability pension.”

There is no change in the rules of deducting income from work from the disability pension.

The amendment, which came into effect on September 1, 2002, is in force retroactively from January 1, 2002 and is limited to one year only.

#### Increment to benefit for disabled children

As of March 1, 2002, children for whom a “benefit for disabled child” at a rate equivalent to or higher than the full individual pension is paid, in addition to a study increment, shall receive an increment to this benefit at a rate of 17% of the full individual pension.

If there is more than one disabled child in the family entitled to this increment, it shall be paid for each child, and an additional increment of 8.5% shall be paid to the family.

#### Entitlement of returning resident to disability pension

Amendment no. 53 to the National Insurance Law amended article 196(a) of the Law, relating to conditions of entitlement to disability pension. Under this amendment, a disability pension may now be paid to a person whose incapacity to work began when he was not a resident of Israel, if the impairment that led to the incapacity to work began when the person was a minor (under age 18) and residing in Israel.

Previous to the change, one of the conditions of entitlement to disability pension was that the incapacity to work began when resident of Israel – except in the case of new immigrants (who are entitled to pension even if their incapacity began before they became resident of Israel).

Following is the wording of article 196(a), with the addition of the amendment underlined:

*A disabled person is entitled to a pension under this Chapter if his earning incapacity arose while he was an Israel resident or a resident of the Land of Israel before May 15, 1948 or if,*

*when he reached 18, he was an Israel resident and a disabled person, even if the impairment arose before he became an Israel resident, or if the impairment that gave rise to his earning incapacity was caused while he was a minor resident of Israel.*

For example: a child residing in Israel was injured in a car accident and as a result, became disabled. At the age of 10 he left the country, and returned after 10 years. He will now be entitled to a disability pension, since his incapacity to work is a result of an impairment caused when he was a minor and resident of Israel – even though when he turned 18, he was not a resident.

The amendment, in effect as of September 1, 2002, is meant mainly to meet the needs of returning residents.

Special benefit for those suffering from severe handicap

As of December 1, 2002 – with payments retroactive from March 2002 – a new “special benefit for those suffering from a severe handicap” shall be paid to all persons who receive an attendance allowance.

The rates of this new benefit are in percentages of the full individual pension, in accordance with the rate of the attendance allowance paid.

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 In the year 2002 the number of general disability allowance recipients grew by 5.7%, reaching about 150,512 as a monthly average. The number of attendance allowance recipients and recipients of benefit for disabled child rose by 9.2% and 6.5%, respectively.

The general disability benefit and attendance allowance rates for 2002 are shown in the following table.

**General Disability Benefit and Attendance Allowance Rates**  
**2002 (NIS)<sup>1</sup>**

<b>General Disability</b>	Single person	Increment for spouse	Increment for child <sup>2</sup>
	1,886	943	754
<b>Attendance Allowance</b>	For performing most daily tasks most hours of the day	For performing all daily tasks most hours of the day	For performing all daily tasks all hours of the day
	882	1,763	2,645

<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

### Mobility allowance to non-drivers

As of January 2002, there is longer be any distinction made between drivers and non-drivers as regards the rate of the mobility allowance paid to persons of limited mobility who possess a valid driving license.

Previously, a reduced allowance was paid to a person who declared that he does not drive himself, even though in possession of a valid driving license.

Amendment no. 20 to the Mobility Agreement includes a number of changes mainly aimed at the continuation of payment of mobility benefits to persons who reach the age of entitlement to old-age pension.

### Mobility benefits to elderly

1. Mobility allowance at the rate paid to an earner shall continue to be paid to persons who have reached age 65 (men) or 60 (women) if their income from work is over 25% of the average wage, even if they receive an old-age pension. Article 13 (c) of the Agreement, confining such payment to persons who do not receive an old-age pension, was repealed.
2. Persons who receive the mobility allowance for a non-car-owner and, upon reaching the age of 65 (men) or 60 (women), still meet the conditions of entitlement to this allowance, will continue receiving it, even if they now receive an old-age pension. Previously, the allowance was discontinued to those who receive an old-age pension.
3. The various benefits and loans granted in the framework of the Mobility Agreement shall continue to be paid to those who have reached the age of 65 on January 1, 2002 or thereafter, if they fulfill one of the following conditions: they received a mobility allowance immediately preceding their reaching the age of 65; they received a standing loan within the 4 years preceding their reaching the age of 65; they received a standing loan for the vehicle presently in their possession.

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The number of recipients of mobility allowance grew in 2002 by 8.2%.

## INCOME SUPPORT

### Retroactive payment of income support benefit

Under the Income Support Law, payment of the income support benefit is generally from the first of the month in which the claim for benefit is submitted to the National Insurance Institute. However, the regulations provide a number of instances in which the benefit may be paid retroactively. One of these instances provided by the regulations is that the claimant had been entitled to an income support benefit in the month preceding the month in which he submitted his claim as well, in which case he may receive the benefit retroactively from that month, on condition that he was unemployed, worked at low wages, or was entitled to a disability pension.

Under an amendment in force as of January 2001, this last condition was changed, and the income support benefit may be paid from the month preceding the month of submission of claim to a person whose entitlement to disability pension expired, or was reduced (reduction in the disability degree determined for him).

### Exemption from employment test for foster mothers applying for income support benefit

Under an amendment to the Income Support Law in effect as of January 1, 2002, a mother in a foster family caring for a child up to the age of 7 is now exempt from satisfying the employment test for entitlement to income support benefit.

The employment test is meant to ensure that a claimant for income support benefit has not found any work, unless he is not capable of working to earn a living or is unsuitable for placement at any job.

### Changes to the income support benefit

Under an amendment to the Income Support Benefit Law in effect as of March 1, 2002 (in the framework of the Economy Arrangements Law - 2002), persons who have been paid the *regular rate* of income support benefit (20 percent of the average wage for single persons, and higher rates for couples and for persons with children) for 24 months (whether consecutive or not) will continue to receive benefit at the *regular rate*, and not, as previously, at the *increased rate* (25 percent of the average wage for single persons, and higher rates for couples and for persons with children). Income support benefit at the *increased rate* will continue to be paid to entitled persons aged 46 or older as well as to entitled new immigrants.

### Unemployment benefit and income support benefit

Under an additional amendment enacted in the framework of the Economy Arrangements Law – 2002, the entire unemployment benefit is taken into account for purposes of calculating entitlement to income support benefit as well as its level. Before the law was amended, the unemployment benefit that was taken into account for purposes of income support benefit was the unemployment benefit that the unemployed person received

deducted by a sum equivalent to 13% or 17% of the average wage, in accordance with family composition.

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The number of income support benefit recipients grew by 7.8% in 2002, reaching about 152,700 recipients as a monthly average.

The income support benefit rates for 2002 are shown in the following table.

**Income Support Benefit Rates<sup>1</sup>**  
**2002 (NIS)**

Rate	Adult	Adult with one child	Adult with two or more children	Couple without children	Couple with one child	Couple with two or more children
<i>Regular Rate</i>						
January - February	1,410	1,941	2,364	2,115	2,538	2,961
March - June	1,393	1,918	2,336	2,089	2,507	2,925
July-December	1,337	1,841	2,243	2,005	2,407	2,808
<i>Increased Rate</i>						
January - February	1,763	2,470	2,893	2,644	3,067	3,490
March - June	1,741	2,441	2,858	2,612	3,029	3,447
July - December	1,671	2,343	2,744	2,508	2,908	3,309
<i>Special Rate (for single parents)</i>						
January - February	-	2,822	3,527			
March - June	-	2,789	3,485			
July - December	-	2,677	3,346			

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

## **ALIMONY**

### Changes in conditions of entitlement to alimony

Under the Economy Arrangements Law - 2002, a number of changes were introduced into the Alimony Law, as follows:

- In addition to domestic court judgements, the National Insurance Institute (NII) must now implement court judgements for alimony given outside of Israel in which a man is obligated to pay alimony to his wife, to his child or parents. It should be noted that in practice the NII had already implemented such judgements although it had not been obligated by law to do so.
- In order for the claimant to be entitled to payment, the person obligated must be a resident of Israel on the day the judgement was given or during 24 months out of the 48 months preceding this date. Previously, the place of residence of the person obligated was not a condition of entitlement to alimony.
- The claimant herself must fit the definition of *Israeli resident* for purposes of the National Insurance Law. Previously, the general condition of her living in Israel had been sufficient.

In 2002 an average of about 28,000 women received alimony benefits from the National Insurance Institute every month.

The alimony rates for 2002 are shown below.

### **Alimony Rates** **2002 (NIS)**

Month	Single woman	Single woman with one child	Single woman with two or more children	Child alone	Two children alone	Each additional child
Jan. - Feb.	1,763	2,822	3,527	1,589	2,296	705
March - Dec.	1,741	2,789	3,485	1,570	2,270	696



## CHILDREN

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

In addition, a study grant is paid for every child between the ages of 6 and 14 in single-parent families and other needy families, at the beginning of every school year.

Under the Economy Arrangements Law – 2002, the child allowances were eroded by 13.4% as a temporary order for 10 months beginning in March 2002. The reduction in the child allowances was anchored in two amendments: the first is the cancellation of the adjustment (at a rate of 1.4%) of allowances paid for the months January-February 2002, and the second is the reduction of 12% in the number of credit points for all families, with no distinction as to family size.

Under the Economy Emergency Program Law of 2002, the rates of the child allowances were reduced further as of July 2002, so that the total reduction in these allowances amounted to 15%.

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In 2002, the number of families receiving child allowance grew by 0.7%, and about 935,000 families (as a monthly average) receive allowances for about 2.18 million children.

The child allowance rates for 2002 are shown below.

### **Child Allowance Rates (per family)** **2002 (NIS)**

Month	One child	Two children	Three children	Four children	Five children	Six children
Jan. - Feb.	174	348	695	1,398	2,266	3,134
March - June	151	302	603	1,213	1,967	2,721
July - Dec.	146	292	581	1,161	1,891	2,615

## **MATERNITY**

### Extension of maternity leave

Under an amendment to the Women's Work Law, a woman who gives birth to more than one child in one birth shall be entitled to extend her maternity leave for an additional two weeks for each additional child born in that birth, as well as to a further extension of up to 4 weeks if she or one of her babies is hospitalized during her maternity leave.

The National Insurance Law (Maternity) was amended accordingly, so that such a woman is entitled to maternity allowance for the entire extended period of her maternity leave.

Previous to the change, women were entitled to an extension of their maternity leave of up to two weeks for all multiple births, no matter how many children were born in that birth. Furthermore, the two periods of entitlement to extension of maternity leave (and additional maternity allowance) – for a multiple birth and for hospitalization – were overlapping, and not accumulative.

The change is in effect regarding all births on December 1, 2002 and thereafter.

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The number of recipients of both maternity allowance and hospitalization grant went up in 2002 by 1.7.

The rates of the various maternity benefits for 2002 are shown in the following table.

**Maternity Insurance Benefit Rates**  
**2002 (NIS)**

Month	Hospital- ization grant	Maternity grant (for one child)	Maximum daily maternity allowance (by law)	Average (actual) daily maternity allowance
January	5,908	1,393	1,160.7	176.7
February	5,908	1,410	1,160.7	181.4
March	5,908	1,410	1,175.0	181.3
April	6,182	1,410	1,175.0	178.1
May	6,182	1,410	1,175.0	180.1
June	6,182	1,410	1,175.0	182.9
July	6,182	1,410	1,114.2	184.3
August	6,182	1,354	1,114.2	186.6
September	6,425	1,354	1,114.2	183.5
October	6,425	1,354	1,114.2	182.4
November	6,425	1,354	1,114.2	185.4
December	6,425	1,354	1,114.2	174.7

## WORK INJURY

### Reduction of maximum period for payment of injury allowance

Under the Economy Arrangements Law - 2002, article 92(b) of the National Insurance Law was amended, and the maximum period for payment of work injury allowances was reduced from 182 days (26 weeks) to 91 days (13 weeks).

The amendment is in effect for all work injuries that occurred on February 1, 2002 and thereafter.

Persons injured up to January 31, 2002 may be eligible for injury allowance up to a period of up to 182 days, depending on their medical condition and based on documents testifying to incapacity to work as a result of the injury.

The aim of all the amendments enacted in the framework of the Economy Arrangements Law is to cut back the State Budget. At the same time, it is considered that the reduction in the maximum period for payment of injury allowance will not adversely affect the rights of insured persons, since 13 weeks is considered to be a reasonable period for convalescence and stabilization in the injured person's medical condition. The determination of a disability degree at the end of this period may speed up his rehabilitation, both by hastening his return to work and by advancing his entitlement to rehabilitation.

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In 2002, the number of recipients of work injury allowance increased by 1.36%. The number of recipients of permanent disability benefit (out of total work injured) grew by about 4.6%, while the number of recipients of dependents' benefit increased slightly – by 1.28%.

The maximum rates in 2002 for daily work injury allowance and monthly work disability benefit are shown below.

### **Maximum Work Injury Allowance and Work Disability Benefit Rates<sup>1</sup>** 2002 (NIS)

Month	Daily work injury	Monthly work disability
January - March	881.25	26,438
April - November	870.50	26,115
December	870.50	26,663

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

## **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.

Under a recent important amendment to the Law, 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 2002.

## **HOSTILE ACTION CASUALTIES**

Persons injured as a result of a hostile action are entitled to cash benefits as well as to benefits in kind such as treatment, hospitalization, convalescence, medical appliances, vocational rehabilitation and assistance in housing and in purchase of a vehicle.

Relatives of persons who died as a result of a hostile action receive a monthly dependents' benefit (equivalent to the benefit rate paid under the Families of Soldiers Killed in Action Law) as well as vocational rehabilitation and special benefits.

As of May 2002, the National Insurance Institute pays for the psychological treatment of the orphans and siblings of victims of hostile actions, regardless of age.

Previous to the change, only family members up to the age of 30 were entitled to payment for such treatment.

## RESERVE SERVICE

A daily reservists' benefit is paid to employees and to self-employed for every period of military reserve benefit, or of training under the Emergency Work Service Law. The benefit is paid for every day of service, from the first day in the course of the year.

The daily benefit is at the rate of the worker's gross income liable for insurance contributions in the three months' period preceding the month during which the reserve service began, including the cost-of-living increment, divided by 90.

No major changes occurred in Reserve Service Insurance in 2002.

The minimum and maximum daily reserve service benefit rates for 2002 are shown below.

### **Reserve Service Benefit Rates – Per Day** **2002 (NIS)**

Month	Minimum	Maximum
January - March	108.89	1,175
April - December	108.89	1,160.67

## UNEMPLOYMENT

### Reduction in rights of unemployed persons

As of January 2002, unemployed persons under the age of 40 who claim unemployment benefit more than once during the space of 4 years shall receive their benefit at a reduced rate and during a reduced period.

Under the Economy Arrangements Law of 2000, the reduction in rates and periods of payment of unemployment benefit shall affect those unemployed persons who were eligible for benefit in January 2002 and thereafter.

As of this month, unemployed persons under 40 shall not be able to receive benefits for more than 180% of the maximum number of payment days, beginning on the day that their first period of eligibility began – after January 1, 1998.

In other words, under the amendment, a person who was paid unemployment benefits for the maximum period after January 1998, and who again became eligible for benefits for an additional maximum period, shall be entitled to only 80% of the maximum number of days.

Furthermore, the rate of benefit paid for the additional period shall be reduced to 85% of the rate to which he is eligible.

### Changes in unemployment insurance under the Economy Emergency Program Law

The following three changes in Unemployment Insurance were enacted in the framework of the Economy Emergency Program Law of 2002, and came into effect in July 2002.

#### *Changes in qualifying period for entitlement to unemployment benefit*

The qualifying period for entitlement to unemployment benefit was changed as follows:

For workers whose wages are paid on a monthly basis, the qualifying period is now 360 days of paid insurance contributions out of the 540 days prior to the *determining date*. Previous to this change, the qualifying period was 180 days out of 360 days, or 270 days out of 540 days.

For workers whose wages are paid on a daily basis, the qualifying period is now 300 days out of paid contributions out of 540 days prior to the *determining date*. Previous to this change, the qualifying period was 150 days out of 360, or 225 days out of 540 days.

The *determining date* is the 1<sup>st</sup> of the month on which the unemployment period began.

#### *Unemployment benefit to persons under age 25 reduced*

Unemployed persons under age 25 who do not have three dependents are now entitled to a maximum of 50 days of paid unemployment benefit. The previous maximum entitlement period was 100 days.



For unemployed persons under age 25 with three dependents, the maximum duration of paid unemployment benefit is now 138 days.

Reduction in benefit to participants in vocational training

Article 173(a) of the National Insurance (Unemployment) Law was amended, so that the unemployment benefit paid to participants in vocational training is now at a rate of 70% of the benefit to which he would have been entitled had he been unemployed, instead of at a rate of the full benefit, as previously.

Temporary instruction: security guard at schools considered required job

A demobilized soldier who works at a job recognized as a *preferred/required job*, to which he was referred by the labor exchange, for at least 6 months out of the 24 months from the day of his release from regular army service, is entitled to a full unemployment grant. Under the new temporary instruction, work as a security guard at an educational institution is considered a *required job*. Therefore, demobilized soldiers who do such work for at least 6 months between September 1, 2002 and August 31, 2003 (the period for which the temporary instruction is in force) are now entitled to an unemployment grant.

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 The number of recipients of unemployment allowance decreased in 2002 by 5.5%, to a monthly average of about 99,000 recipients.

**Unemployment Benefit Rates<sup>1</sup>**  
**2002 (NIS)**

Month	Maximum daily benefit to a single person		Demobilized soldier's benefit	
	First period <sup>2</sup>	Second period <sup>3</sup>	Regular work (daily benefit)	Preferred/required work (one-time grant)
January - February	282	188	104.53	7,783
March - June	279	186	104.53	7,687
July - December	268	179	100.35	7,380

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

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

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

## REHABILITATION

The Rehabilitation Department of the National Insurance Institute was set up with the establishment of the Institute in 1954, the conception being that in addition to granting various cash benefits aimed at ensuring a basic level of income for subsistence, it is the task of the NII to provide vocational rehabilitation services to the work injured in order that they may successfully return to work. In the course of the years, with the passing of the General Disability Insurance Law, such services were provided to the general disabled as well, and at a later stage, to widows.

Every local branch of the NII has a rehabilitation department, staffed by rehabilitation officers who are professional social workers trained in the field of vocational rehabilitation. The rehabilitation officers maintain a wide range of contacts with the social services in the community – such as the rehabilitation centers of the Ministry of Labor and Social Affairs – which assist in the rehabilitative process.

Following are the conditions of entitlement to vocational rehabilitation:

- The disabled person has a permanent degree of medical disability of 10% or more (for work-injured persons), or of 20% or more (for general disabled);
- the disabled person is not capable of returning to his former place of work or is in need of vocational training in order to do so;
- the disabled person is suitable for vocational training; that is, he has a reasonable prospect of being integrated in the labor market after the rehabilitative process.

The rehabilitative process commences with the location of the candidates for rehabilitation. In the case of general disabled, every claimant for benefit whose medical condition allows the possibility of employment is referred to a rehabilitation officer. Work injured are referred to rehabilitation following their first appearance before a medical board, while persons injured in terrorist acts and their families are contacted immediately following the injury. Regarding widows, those of working age who submit a claim for dependents' or survivors' benefit are referred to the rehabilitation department.

Every rehabilitee undergoes diagnosis, after which an individual rehabilitation plan is built for him in accordance with his specific needs and capabilities. Implementation of the plan requires significant effort on the part of the rehabilitee, and encouragement on the part of the rehabilitation officer. In most cases it includes funding of: transportation to the place of the vocational course, the course itself, assistance in acquiring books and other necessities connected with the course, etc. The overall goal is to enable the rehabilitees to return to work, and for those who did not work previously, to provide the tools for them to be able to become integrated into the work market – either open or sheltered – successfully.

The Department of Rehabilitation cares for about 13,000 rehabilitees each year, the average period of treatment being a year and seven months. About 48% of rehabilitees complete treatment (and many of these find work), while the remainder cease treatment for medical or other reasons. About 1,600 persons are placed by the Department in work every year, and this number has not decreased despite the growing unemployment to which we have been witness in recent years.

## COLLECTION OF CONTRIBUTIONS

### Cancellation of income ceiling liable for insurance contributions

The income ceiling of employees and self-employed workers liable for insurance contributions was cancelled on July 1, 2002, as a temporary order. Thereafter, all income of these workers is liable for contributions.

Previously, the income ceiling for employees and self-employed workers was 5 times the average wage.

### Raising of insurance contribution rates by 1%

The rates of insurance contributions for which employers and self-employed workers are liable were raised by 1% on July 1, 2002. Government participation in the financing of insurance branches decreased accordingly.

### Exemption from payment of insurance contributions for recruits

Amendment no. 52 to the National Insurance Law, in effect as of August 2002, widens the scope of the population exempt from payment of national and health insurance contributions and changes the method of calculating the period of exemption.

1. A person shall be exempt from payment of insurance contributions for a period during which all of the following hold true:
  - He has reached the age of 18;
  - He does not work as an employee or self-employed and does not have an income over 5% of the average wage;
  - He studies in a secondary institution of learning OR is in vocational training;
  - He began his compulsory army service OR volunteer national service before reaching the age of 21 – exemption for a period of up to 12 months.

The significance of this change is that a student or trainee who is recruited before the age of 21 is now exempt from insurance contributions both for the period of his studies/ training and for an additional period of 12 months (not necessarily 12 consecutive months) until his recruitment. Previously, these periods were not accumulative.

2. The period of exemption is for 12 months from the age of 18 – and not necessarily up to the age of 19, as previously. For example, if the person worked for a few months after the age of 18 (and was recruited before age 21), his period of exemption will extend beyond age 19.

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The contribution rates for December 2002 for the various insurance branches, in addition to health insurance contributions, are shown in the following table.

**Insurance Contribution Rates**  
**December 2002 (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>
Old-age and Survivors	4.93	3.69	2.70	1.46	2.23	4.93	3.09
Long-term Care	0.17	0.12	0.10	0.05	0.07	0.17	0.12
General Disability	1.76	1.17	1.30	0.71	0.46	1.76	1.11
Accident Injury	0.07	0.05	0.05	0.03	0.02	0.07	0.06
Work Injury	0.64	0.64	--	--	0.64	0.64	0.39
Maternity	0.78	0.51	0.60	0.33	0.18	0.78	0.56
Children	2.27	2.27	--	--	2.27	2.27	1.39
Unemployment	0.19	0.12	0.15	0.08	0.04	--	--
Bankruptcy	0.02	0.02	--	--	0.02	--	--
<b>Total Insurance Branches</b>	<b>10.83</b>	<b>8.59</b>	<b>4.90</b>	<b>2.66</b>	<b>5.93</b>	<b>10.62</b>	<b>6.72</b>
Health	4.80	3.10	4.80	3.10	--	4.80	3.10
<b>Total Contributions</b>	<b>15.63</b>	<b>11.69</b>	<b>9.70</b>	<b>5.76</b>	<b>5.93</b>	<b>15.42</b>	<b>9.82</b>

<sup>1</sup> These rates include the share of the employee and the employer in payment of insurance contributions. In addition, the government participates in the financing of the insurance branches instead of the employer and the self-employed at a rate of 0.64%.

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

## COUNSELING SERVICE FOR THE ELDERLY

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

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

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

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

The work of the Service includes:

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

## DEMONSTRATION PROJECTS

In 2002 the Department of Demonstration Projects of the National Insurance Institute dealt with about 240 *demonstration projects* and project proposals. The Department, which was established with the aim of encouraging organizations to develop new initiatives in the area of social services, 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 ongoing research for the project and it actively participates in the steering committee responsible for running the project.

Research evaluations of projects completed – and with reports published in 2002 – are described below.

### Parental training for prisoners and ex-prisoners

The project aims at providing prisoners about to be released, ex-prisoners, and spouses, with tools for active parenting. An additional aim of the project is to encourage participants to become familiar with various help services in the community, to understand their role and to learn how to use these services in time of need.

The *Prisoner Rehabilitation Authority* initiated the project and operated it together with the Adler Institute's *Parents' School*.

The main results of the accompanying research evaluation include an undermining of parents' attitudes towards education (such as over-protectiveness, reward and punishment and unrealistic expectations) and a strengthening of certain other perceptions (such as encouragement, trust). All participants expressed an interest in continuing to study parenting, most of them – with the same group members.

### A “warm home” for young adults

The Department of Social Services of the Kiryat Yam municipality conceived and proposed the establishment of a hostel for young adults (aged 18-30) at risk. The goal of this project was to provide residence and an orderly life style as a component of a comprehensive rehabilitation program, encompassing vocational training, completion of education and preparing the young adults for autonomous life within the community.

The project was designed to absorb about 16 young adults from Kiryat Yam in two separate units (one for women and one for men), with the maximum duration of stay in the hostel being twelve to eighteen months. The program, operated by both professional and para-professional staff, was based on an integrated model, including individual treatment, group dynamics and community-oriented work.

The findings of the over two years' evaluation follow-up of the program strongly suggest the need of the young adult population for a comprehensive rehabilitation framework

(education, vocation, basic life skills and interpersonal and social competence), capable of freeing them from the bondage of distress.

### Invitation to a dialogue

This program is based on the use of innovative technologies, using both an internet network and face-to-face meetings to expand the possibilities for contact among immigrant youth living in different youth villages; between these immigrant youth and non-immigrant Israeli youth; and between these immigrant youth and adults who can help them cope with the difficulties of absorption and increase their familiarity and identification with Israeli society.

The program integrates innovative and experimental components from many fields in an attempt to meet needs arising from physical isolation, a limited social circle, the difficulties of absorption and separation from family, which are typically experienced by immigrant and other youth educated in youth villages.

The program was implemented as one of the “different types of education” programs of the Department of Education and Youth of JDC-Israel, with the assistance of Partnership 2000 (the Jewish Agency and United Jewish Communities) and the Absorption Fund of Jerusalem.

The findings of the study highlight the challenge of implementing intercultural activity, as it enriches both immigrant and non-immigrant youth, helps refute stereotypes, and reduces the reticence toward meeting people from different cultures, whom one may encounter in daily life.

### Elder protection and abuse prevention in Herzliya

The Unit for Elder Protection and Abuse Prevention in Herzliya was established with the purpose of improving the identification of abused elders, increasing the scope of their treatment and furthering prevention programs. Along with activation of the Unit, the first of its kind in Israel, a research evaluation took place from February 1999 through May 2001.

The study findings suggest that a community process did indeed follow from the initiation of the Unit, one in which mutual exchange was furthered between various community services and the Unit, and cooperation was enhanced. The Unit’s community activity heightened the awareness of service personnel to the problem of elder abuse, and increased their willingness to deal with it. As a result, more cases were referred to the Unit, and inter-agency cooperation increased considerably.

### Field school integrating special populations

The NGO *Lotem*, acronym for “Limudei Teva Meshulavim”, is the legal body standing behind the Integrative Field School and aims at the advancement of ideas that can further outdoor accessibility, learning and activities for people with special needs..

The central finding of the evaluation that accompanied the Integrative Field School during 1998-1999 confirmed that *Lotem* is successful in serving special (handicapped) populations, who enjoy direct contact with nature and learn to know and to experience it first-hand. Other findings showed the advantages of *Lotem* regarding populations with minor mental

handicaps, many of whom have made use of its services, while indicating that *Lotem* has not yet been able to conduct routine outdoor activities common to handicapped and non-handicapped children, as expressed in the “credo” of the institution.

At the end of the two-year experimental period, the field school was still in a process of growth, development and improving.

#### The “Refuah Shlema” intervention program for Ethiopian immigrants

This study constitutes the second stage of an evaluation of the “Refuah Shlema” intervention program for Ethiopian immigrant patients in primary care clinics. The goals of the program, initiated by JDC-Israel and Clalit Health Services, were to improve communication between medical staff and Ethiopian immigrant patients, and to improve the care of these patients and promote their health.

It was designed to accomplish this by employing Ethiopian immigrant facilitators to work as inter-cultural mediators between patients and physicians, training clinic staff on working with Ethiopian immigrant patients and conducting health education activities for these immigrants.

The goals of this second evaluation study, focusing on Ethiopian immigrants with diabetes or asthma, were to examine the effects of the intervention program on the treatment of illness among these patients, their health status and their relationship with service providers.

The findings indicate a slight improvement in the treatment of illness following implementation of the program at the experimental clinics, but they did not identify any improvement in other aspects of quality of life with diabetes, in asthma health status or general health status.

#### Day centers for women ex-prisoners (Part I)

The *Prisoner Rehabilitation Authority* set up a center for released women prisoners, in which a range of services were concentrated, in order to try to find a comprehensive solution to all the needs of this population group, and in particular, successful job placement. A research evaluation accompanied the center’s operation in the first year and a half since its establishment in November 1998.

Of the 60 participants in the project, 49 women took part in the occupational workshop, and of these, 22 were placed in jobs or study frameworks.

While the women felt personal progress in a number of fields as a result of the center’s activities, they expressed a certain degree of anxiety on leaving the center, which had served as a source of warmth and security for them.



## FUND FOR DEVELOPMENT OF SERVICES FOR THE DISABLED

In addition to the provision of various benefits for the disabled, The National Insurance Institute provides funding for the development of new and enhancement of the existing network of services for the disabled in Israel, through the Fund for the Development of Services for the Disabled.

The Fund has for the past twenty years provided major assistance for new equipment, renovations and for new building to a multitude of governmental, municipal and voluntary non-profit service providers. In the year 2002 there were 1,500 projects (including applications and projects in process), 230 of these approved in the course of that year.

The Fund draws its budget from a percentage of the annual allocation earmarked for the General Disability insurance branch (NIS 184 million in 2002), 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, autism, learning disabled and persons ill with cancer or other disease-related disabilities.

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

community residences – The Fund has been a primary catalyst in the development of residential services for the disabled, which have experienced an enormous expansion in the past five years. Funding is provided for a wide spectrum of different residential options, such as hostels and sheltered apartments.

occupational 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 ten new workshops, mostly located in outlying areas and in the Arab sector, and is currently supporting the building of twenty additional workshop centers.

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.

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.

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 are 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.

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 Labor and Social Affairs – to improve the quality of life in twenty large governmental and public voluntary residences for the developmentally disabled. Efforts have been concentrated on refurbishing residential pavilions, building new housing to cope with chronic overcrowding, building day activity centers and improving basic infrastructure.

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

Under Article 237A of the National Insurance Law, the National Insurance Institute finances activities aimed at developing community services for elderly persons who are limited in their daily functioning and require long-term care, as well as the development of services provided in nursing homes, and the improvement of existing services.

The ceiling of expenditure on these activities, which must be authorized by the Minister of Labor and Social Affairs after consultation with the Public Council, is 10% of the expected annual collection of contributions for long-term care insurance.

The Fund assists public as well as private bodies in the development of an infrastructure of services for those elderly who are entitled to long-term care benefits, contingent on their commitment to participate in the operating expenses of the program for which assistance is requested.

Areas in which the Fund is involved include: setting up day centers for the elderly, adapting existing structures for use as day centers, transportation of dependent elderly to day centers, the development of frameworks of sheltered housing, the addition of new beds in nursing homes and assistance to private bodies that provide services to the elderly referred to them by the Minister of Labor and Social Affairs or the Ministry of Health.

In 2002 the Fund provided assistance to 54 community programs and 31 institutional programs. A total of 295 projects were operating in 2002, on a current budget of approximately NIS 40,000 million.

## **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, on condition that the annual expenditure on such activities be up to a maximum of 1% of the estimated annual collection of insurance contributions for work injury insurance (the Fund's current budget in 2002: about NIS 14.4 million, of which the Fund spent about NIS 4.2 million).

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 2002, the Fund operated about 50 projects, some of them new and others carried on from previous years.

## 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, fourteen such Conventions have been concluded and are in force.

In 2002, a bilateral Conventions with the Czech Republic came into force, as well as an amendment to the Convention with Austria..

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
United Kingdom	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, Work Injury and Occupational Diseases	Dept. of Social Security, Overseas Branch, Pensions and Overseas Benefits Directorate, Tyneview Park, Withley Road, Benaton NE 98 1BA Newcastle upon Tyne, England
Netherlands	April 25, 1963	Nov. 1, 1963 New Agreement: Sept. 1, 1985	Dutch 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	Sociale Verzekeringsbank Rotterdam District Office, Postbus 70025, NL-3000 lg, Rotterdam, Netherlands
France	December 17, 1965	October 1, 1966	French or Israeli citizens who are employees, and members of their families	Old-Age, Survivors, Maternity, Work Injury and Occupational Diseases	Centre de Securite Sociale des Travailleurs Migrants, 11 rue de la Tour des Dames, 75436 Paris, Cedex 09, France
Belgium	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, 76 Bld de Waterloo, 1000 Bruxelles, Belgique
Austria	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
Germany	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	BFA 10704 Berlin, Germany ----- LVA Rheinprovinz 40194 Dusseldorf 1 Germany

\* cash benefits only (not hospitalization).

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

Country	Date of Signature	Operative Date	Coverage	Insurance Branches	Competent Institution
Sweden	June 30, 1982	July 1, 1983	Swedish or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Maternity, Children, Unemployment, Work Injury and Occupational Diseases	Forsakringskassan Stockolms Lan Utlandsavdelningen S-105 11 Stockholm, Sweden
Switzerland	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
Italy	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
Poland	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 10 00-082 Warszawa, Poland
Denmark	July 3, 1995	April 1, 1996	Danish or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Work Injury and Occupational Diseases, Maternity and Children	Den Sociale Sikringsstyrelse, Landemaerket 11, 1119 København K, Denmark
Finland	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 International Affairs, P.O. Box 72 00381 Helsinki Finland
Uruguay	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	Asesoria Tecnica Legal y de Asuntos Internacionales AV. 18 de Julio 1912, 1er Paso 11200 Montevideo Republican Oriental del Uruguay
The Czech Republic	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, 25 225 08 Praha 5 Czech Republic