



**National Insurance Institute
Israel**

**Summary of Trends and
Developments in Social Security
2006**



Jerusalem, April 2007

TABLE OF CONTENTS

	<u>page</u>
Introduction	1
General	3
Old-Age and Survivors	4
Long-Term Care	6
General Disability	7
Mobility	9
Income Support	10
Alimony	12
Children	14
Maternity	15
Work Injury	16
Prisoners of Zion	17
Hostile Action Casualties	18
Reserve Service	19
Unemployment	20
Rehabilitation	21
Insurance and Collection of Contributions	23
Counseling Service for the Elderly	25
Fund for Demonstration Projects	27
Fund for Development of Services for People with Disabilities	33
Fund for Development of Long-Term Care Services for Dependent Elderly	36
Fund for Activities of Safety and Hygiene in the Workplace	37
Fund for Development of Services for Children and Youth	38
International Conventions on Social Security	39
Future Changes	42

INTRODUCTION

In 2006, 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 86 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.

Three nationwide *call centers* operate in northern, central and southern Israel. They may be reached almost 24 hours a day, and provide 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 now possible to pay insurance contributions through the *call centers*, by means of credit cards.

This year the NII web site underwent improvements to provide better services and more information to the public. Clients are able to pay insurance contributions through the Internet, and in future will be able to make personal status inquiries through the site. It should be noted that the site in English as well is constantly updated, and contains press releases and information on rates of benefits, rules of entitlement, and more. (The NII address on the internet: <http://www.btl.gov.il>. The e-mail address: btlfeed@nioi.gov.il).

The scope of changes that came into effect in the Israeli social security system in 2006 reflects mainly attempts on the part of the National Insurance Institute to maintain basic benefit levels and to try to ensure maximum take-up of rights.

The scope of the population eligible for certain benefits was actually widened in 2006: a change in the definition of *new immigrant* expanded the scope of the population eligible for a long-term care benefit and a disability pension. Furthermore, new regulations to the Welfare-to-Work Law (known as the Wisconsin project, reported on in the 2005 issue of *Developments and Trends*) relaxed conditions of entitlement of certain participants to the income support benefit, taking into account their special needs.

In other programs, conditions of entitlement to benefits were made more stringent. In Work Injury insurance, a work disability pension is now paid only to persons with a temporary disability degree of 9% or over – rather than 5% or over, as previously. Also, in Unemployment Insurance, demobilized soldiers are now required to accumulate a qualifying period in order to be entitled to benefit.

Certain changes in the system were introduced this year in order to improve administrative procedures or correct distortions that had previously existed. In General Disability Insurance, attendance allowance may now be paid up to 6 months retroactively; a *disabled person's certificate* is now regularly issued by the NII to persons receiving some kind of a disability benefit from the NII; and in accordance with a new legal opinion, the period taken into account as a work period for a disabled housewife now includes the months in which she received a wage-replacing benefit.

The National Insurance Institute's campaign to work towards maximum take-up of rights continued in full gear in 2006: in this year, the NII initiated claims for survivors' pensions, for income supplement and for mobility allowance, while going one step further and actually paying benefits automatically to certain groups of survivors and to self-employed women entitled to maternity allowance.

As in previous reports, the present report includes a chapter on the Rehabilitation Bureau, whose task is to provide vocational rehabilitation services to various population groups, such as the work injured, disabled and widows. This task has been compounded in recent years with the growing number of civilian victims of terrorist acts, provided with all-round assistance by the Bureau staff – and even more so in 2006, with the many victims of the Lebanon war.

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. Over 300 demonstration projects were in operation in 2006 alone, and a sample of these is 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 negotiation 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 from 2005, with the closure of the Authority for Retirement, offering assistance to new retirees as well.

Changes covered in the chapter on *Future Changes* include the possibility of owning a vehicle and still being eligible for income support, a new (third) level of the long-term care benefit, more stringent conditions in the definition of *suitable work* for purposes of unemployment benefit and a change in the definition of *disabled housewife*.

GENERAL

The basic amount

As of January 2006, most national insurance benefits, the value of which had been frozen in the framework of the Economy Arrangement Laws for 2002 and 2003, again became adjusted. However, from this date they are calculated according to the *basic amount*, rather than according to the *average wage*, as previously. The basic amount is updated on the 1st of January of every year at the rate of the rise on the cost-of-living index in the previous year. The *basic amount* is actually composed of three different sums for the various types of benefits, and is increased by 2.7% in January 2006.

OLD-AGE AND SURVIVORS

Initiating claims for survivor's pension

In keeping with the NII policy of endeavoring to initiate claims whenever possible, so as to ensure maximum take-up of rights, a new stage in the campaign to initiate claims for survivor's pensions began in June 2006.

The target population includes spouses and children (under age 22) of insured persons who passed away, who have not yet submitted a claim for a survivor's pension. Every month a claims form and personal explanatory letter shall be mailed to a group of such persons.

Automatic payment of survivor's pension

As of August 2006 the survivor's pension is paid automatically to the following groups:

- Widows to whom a dependant's increment had been paid to their husbands' old-age pension`
- Widows who receive an old-age pension by virtue of their having accumulated a qualifying period, at the same bank account as their husbands.

Initiating claims for income supplement

An income supplement is a partial benefit paid to a person whose income from work or any other source (such as the old-age pension) is lower than the minimum guaranteed income (MGI), necessary for subsistence according to the law.

Since August 2002, many changes have been made in the amounts of the old-age pension relative to the MGI; basically, in the course of this period, the pension has been reduced relative to the MGI.

Therefore, in March 2006 the NII decided to re-examine entitlement to the income supplement, based on claims previously submitted and denied – on the assumption that the economic income of the claimant has not changed.

The number of recipients of old-age and survivors' pension increased in 2006 by 1.1%, to 727,517 recipients as a monthly average.

The old-age and survivors' pension rates for 2006, basic and including income supplement, are shown below.

Old-Age and Survivors' Pension Rates
2006(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>
<i>- basic²</i>						
<i>January</i>	1,127	1,480	1,833	1,690	2,043	2,396
<i>July</i>	1,159	1,524	1,889	1,738	2,103	2,468
<i>- with income supplement</i>						
<i>January</i>	2,089	3,341	4,107	3,107	3,872	4,637
<i>July</i>	2,181	3,464	4,237	3,229	4,002	4,775
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>
<i>- basic</i>						
<i>January</i>	858	1,144	1,680	2,216	715	1,430
<i>July</i>	873	1,159	1,703	2,247	722	1,444
<i>- with income supplement</i>						
<i>January</i>	2,089	2,089	3,341	4,107	1,640	2,386
<i>July</i>	2,181	2,181	3,464	4,237	1,640	2,386

¹ The rates in this and all other tables are given in Israeli new shekels. In 2006 the average exchange rate was approximately \$1 = NIS 4.46.

² From July 2002 to June 2005, the actual sum of this benefit received by beneficiaries was reduced by 4%, in accordance with the Economy Arrangements Law, and as of July 2005, it was reduced by 1.5%.

LONG-TERM CARE

Change in definition of *new immigrant*

Under Long-Term Care Insurance, a new immigrant is eligible for a benefit if he immigrated to Israel under the Law of Return. As of July 1, 2006, the definition of new immigrant has been expanded for this purpose (amendment of Article 223-4 of the National Insurance Law) and now also includes residents with a visa for temporary or permanent residence who receive a basket of services from the Ministry of Absorption (see also General Disability).

 The number of recipients of long-term care benefits rose in 2006 by about 4.7%, reaching about 120,500 recipients as a monthly average.

The long-term care benefit rates for 2006 are shown below.

Long-Term Care Benefit Rates 2006 (NIS)

Month	Partially dependent				Fully dependent			
	Eligible for full benefit		Eligible for half benefit ¹		Eligible for full benefit		Eligible for half benefit ¹	
	services	cash	services	cash	services	cash	services	cash
Jan - Dec. ²	1,683	1,346	842	673	2,715	2,172	1,358	1,086

¹ 50% reduction as a result of income test.

² The sums that appear here are after the reductions of 4% and 7% in accordance with the Economy Arrangements Laws.

GENERAL DISABILITY

Retroactive payment of attendance allowance

As of January 1, 2006, it is possible to pay attendance allowance retroactively for a period of up to 6 months immediately preceding the date of submission of claim.

Regulation 11(b) was added to Regulation 11 of the National Insurance (Disability Insurance) Regulations, enabling the determination of entitlement to attendance allowance 6 months retroactively, applying to claims submitted on or after January 1, 2006 – if all condition of entitlement to attendance allowance had been met.

In accordance with this change, it is now possible to submit a claim for attendance allowance up to six months of having reached retirement age.

Disabled person's certificate

Following many requests from organizations of persons with disabilities, In February 2006 the NII decided to issue a *disabled person's certificate* to all persons who receive one of the following benefits from the NII: disability (temporary or permanent) pension, benefit for disabled child and mobility benefit. The certificate includes the name of the disabled person and his ID number, but does not include a picture, so that another identifying certificate must be presented alongside it.

The certificate, valid for up to three years (in accordance with entitlement to the specific NII benefit), may be used to obtain benefits or discounts from various bodies.

Work period calculated for definition of disabled housewife

In Disability Insurance, a *disabled housewife* is defined as a married woman who has lost at least 50% of her ability to function in her household as a result of her impairment. However, in certain cases, such a housewife is considered employed and her capacity to earn a living is examined, as for all employees. These cases are:

- If she has separated from her husband for at least 24 months;
- If she worked for at least 12 consecutive months, or for 24 months even if not consecutive, out of the 48 months preceding the submission of her claim.

As of a new legal opinion laid down on March 29, 2006, the period taken into account as a work period for a disabled housewife – that is, for deciding whether she is eligible for pension as a housewife or as an employee – shall include months in which she did not actually work, but for which she received a wage-replacing benefit, namely: maternity allowance, risk-pregnancy benefit or injury allowance (but not unemployment benefit).

Prior to this legal opinion, only months of actual work had been taken into account.

The change is in effect retroactively from March 29, 2005 – a year before the legal opinion was laid down.

Change in definition of *new immigrant*

In Disability Insurance, persons are eligible for a disability pension if their incapacity began when they were residents of Israel, and *new immigrants* are eligible for a pension even if their incapacity began before they became residents of Israel.

The definition of *new immigrant* for this purpose (Article 197 of the National Insurance Law) has recently been changed, and now includes persons with a visa for temporary or permanent residence in Israel who receive a basket of services from the Ministry of Absorption. For these persons, entitlement to disability pension begins after 12 months have elapsed since they entered the country, but not before July 1, 2006, when the amendment came into effect.

Previous to the change, the definition included only persons with new immigrant status, who immigrated to Israel under the Law of Return. These persons are eligible for a disability pension 12 months after they become new immigrants (see also Long-Term Care).

 In the year 2006 the number of general disability allowance recipients grew by 4.3%, reaching about 178,263 as a monthly average. The number of attendance allowance recipients and recipients of benefit for disabled child rose by 6.7% and 6.0%, respectively.

The general disability benefit and attendance allowance rates for 2006 are shown in the following table.

General Disability Benefit and Attendance Allowance Rates
2006 (NIS)¹

General Disability	<i>Single person</i>	<i>Increment for spouse</i>	<i>Increment for child²</i>
	1,937	968	775
Attendance Allowance	<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>
	905	1,810	2,715

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

Initiation of claims

Benefits by force of the Mobility Agreement are granted to persons regarding whom a medical board determined a percentage of mobility limitation, who submitted a claim for a mobility benefit and was found to be entitled under the terms of the Agreement.

In some cases, persons examined by the medical board for whom a percentage of mobility limitation was determined that would apparently entitle them to a mobility benefit – do not submit a claim for benefit. A possible reason for this is that they erroneously think that their visit to the health bureau in itself constitutes a claim for benefit (although the form “request for medical examination to determine mobility limitation” expressly states that this request is not a claims form).

In order to cover such cases and increase take-up of rights, it was decided in October 2006 to initiate claims for persons who had medical examinations over a month earlier and who have not yet submitted a claim for benefit. Claims forms together with an explanatory letter shall be mailed to all such persons.

The number of recipients of mobility allowance grew in 2006 by 4.7%.

INCOME SUPPORT

New regulations to the Welfare-to-Work Law

The Finance Committee of the Knesset authorized new regulations to the Welfare-to-Work (Integration of Benefit Recipients into Work) Law, aimed at meeting the needs of various population groups not taken into account in the original law and regulations.

1. *limitation of the scope of the personal plan.*
 - a. *Degree of incapacity* – generally, every participant's personal plan is of a scope of 30-40 hours a week. Under the original law, only a person with an incapacity degree of at least 75% had a limited plan of one hour a week. Under the new regulations, all persons with some degree of incapacity have a limited plan, in keeping with their incapacity degree.
 - b. *Age (number of years before retirement age)* – the personal plan is reduced in accordance with the number of years that the participant is away from his retirement age.
 - c. *Exceptional cases* not included in the above groups, but the occupation center believes that they cannot participate in a plan of 15 hours a week or more.
2. *recognition of days of absence* from the program as justified, over and beyond the quota determined in the original program.
 - a. For a single parent;
 - b. For a child hospitalized;
 - c. For care of a child when wife is hospitalized.

The number of families receiving income support benefits decreased by about 2.1% in 2006, down to about 130,350 recipients as a monthly average.

The income support benefit rates for 2006 are shown in the following table.

Income Support Benefit Rates¹
2006(NIS)

Family composition	Under age 55		Aged 55 or over
	Regular rate ²	Increased rate ³	
<i>Single person</i>	1,373	1,545	1,716
<i>Single person with 1 child⁴</i>	2,060	2,300	2,433
<i>Single person with 2 or more children⁴</i>	2,300	2,575	2,844
<i>Couple</i>	1,888	2,060	2,575
<i>Couple with 1 child</i>	2,060	2,300	2,987
<i>Couple with 2 or more children</i>	2,300	2,677	3,398
<i>Single parent with 1 child</i>		2,300	2,766
<i>Single parent with 2 or more children</i>		2,677	3,463

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

² 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.

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

⁴ Not defined as a single parent in the Single-Parent Families Law.

ALIMONY

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

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

No major changes in Alimony Insurance came into effect in 2006.

In 2006 an average of 22,712 women received alimony benefits from the National Insurance Institute every month.

The alimony rates for 2006 are shown in the following table.

Alimony Rates
2006 (NIS)

Family composition	<i>Woman under 55</i>	<i>Woman aged 55 or over</i>
<i>Single woman without children</i>		
<i>Previously entitled¹</i>	1,609	
<i>Newly entitled²</i>	1,430	1,788
<i>Single woman with children</i>		
<i>With one child</i>	2,396	2,892
<i>With 2 or more children</i>	2,789	3,607
<i>Woman who remarried</i>		
<i>With one child</i>	1,640	1,640
<i>With 2 or more children</i>	2,386	2,386
<i>Children alone</i>		
<i>One child alone</i>	1,640	
<i>2 children alone</i>	2,386	
<i>Each additional child</i>	715	

¹ Entitled to alimony before January 1, 2003.

² Entitled to alimony as of January 1, 2003.

CHILDREN

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

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

No major changes in Children Insurance came into effect in 2006.

 In 2006, the number of families receiving child allowance grew by 1.3%, and about 968,300 families (as a monthly average) receive allowances for about 2.3 million children.

The child allowance rates for 2006 are shown below.

Child Allowance Rates (per family)¹ 2006(NIS)

	<i>One child</i>	<i>Two children</i>	<i>Three children</i>	<i>Four children</i>	<i>Five children</i>	<i>Six children</i>
	148	296	474	803	1,132	1,461

¹ The rates are for children born before June 1, 2003. A uniform sum of NIS 120 per month is paid for all children born on that date or thereafter, regardless of his place in the family.

MATERNITY

Automatic payment of maternity allowance

Both employees and self-employed women who work in Israel are entitled, upon giving birth, to a maternity allowance from the National Insurance Institute for the period of their maternity leave from work.

As of January 1, 2006, thanks to the linking of the maternity file of the NII with that of the insured population, it has become possible to pay self-employed women their maternity allowance automatically, without their needing to submit a claim.

 The number of recipients of both the hospitalization grant and the maternity allowance went up in 2006 by about 1.0%.

The rates of the various maternity benefits for 2006 are shown in the following table.

Maternity Insurance Benefit Rates 2006 (NIS)

Month	<i>Hospital- ization grant</i>	<i>Maternity grant (for the first child)</i>	<i>Average (actual) daily maternity allowance</i>
<i>January</i>	7,079	1,390	177.9
<i>February</i>	7,079	1,390	174.6
<i>March</i>	7,049	1,390	173.7
<i>April</i>	7,049	1,390	184.3
<i>May</i>	7,049	1,390	185.8
<i>June</i>	7,049	1,390	185.5
<i>July</i>	7,049	1,390	187.9
<i>August</i>	7,000	1,390	190.2
<i>September</i>	7,000	1,390	188.5
<i>October</i>	7,000	1,390	184.6
<i>November</i>	7,000	1,390	188.7
<i>December</i>	7,000	1,390	186.2

WORK INJURY

Entitlement to work disability pension and grant

Under the Economy Arrangements Law-2005, a work disability pension is paid only to a work-injured person with a temporary disability degree of 9% or over. Persons for whom a permanent disability degree of 9% or over is determined are paid a work disability grant. Persons with a lower disability degree are not eligible for any benefit.

Previously, a pension was paid to persons with a temporary disability degree of 5% or over, while those with a permanent disability degree of 5% or over were paid a grant.

Persons with a permanent disability degree of 20% and over are paid a pension, and this has not changed.

The change is in effect regarding work accidents that occurred on or after April 1, 2006, and regarding occupational diseases – claims submitted on or after this date

 In 2006, the number of recipients of work injury allowance increased by 0.7%. The number of recipients of permanent disability benefit (out of total work injured) grew by about 4%, while the number of recipients of dependents' benefit increased slightly – by 1.1%.

The maximum rates in 2006 for daily work injury allowance and monthly work disability benefit are shown below.

Maximum Work Injury Allowance and Work Disability Benefit Rates **2006 (NIS)**

<i>Daily work injury¹</i>		<i>Monthly work disability</i>	
<i>Employees²</i>	<i>Self-employed and employees³</i>	<i>Employees²</i>	<i>Self-employed and employees³</i>
543	905	16,290	27,150

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

² Employees injured before January 1, 1995.

³ 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 2006.

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.

No major changes in Hostile Action Insurance came into effect in 2006.

RESERVE SERVICE

When Amendment no. 30 to the National Insurance Law came into effect on October 1, 1977, the Reservists' Compensation Fund (or Equalization Fund) that had been in operation since July 1, 1952, was dissolved, and a new branch of insurance, the Reserve Service branch, was set up in its place.

As a result of this amendment, coverage was extended to all persons serving in the military reserves in accordance with the Defense Service Law for a single period of service of more than one day, or of training under the Emergency Work Service Law (including civil servants, students, etc.).

Today reservists are entitled to benefit for every day of service, from the first day in the course of the year. The benefit is at the full rate of the reservist's daily income.

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 2006.

The minimum and maximum daily reserve service benefit rates for 2006 are shown below.

Reserve Service Benefit Rates – Per Day **2006 (NIS)**

<i>Month</i>	<i>Minimum</i>	<i>Maximum</i>
<i>Jan.- March</i>	111.17	1,192
<i>April - May</i>	115.22	1,192
<i>June - December</i>	119.51	1,192

UNEMPLOYMENT

Qualifying period for demobilized soldier

Under the Economy Arrangements Law-2006, a soldier released from compulsory army service after July 1, 2007 will be required to have accumulated a qualifying period in order to be entitled to unemployment benefit, similar to the case for civilian unemployed persons. It was further determined in the law that 180 days of compulsory military service may be considered as a qualifying period for this purpose.

The above does not apply to a person working at a preferred job or participating in vocational training – such persons are still exempt from the qualifying period.

Previous to the change, demobilized soldiers were exempt from the qualifying period condition of entitlement to unemployment benefit.

The number of recipients of unemployment benefit decreased in 2006 to a monthly average of about 56,000 recipients. The unemployment benefit rates for 2006 are shown below.

Unemployment Benefit Rates¹ **2006 (NIS)**

<i>Month</i>	<i>Maximum daily benefit to a single person</i>		<i>Demobilized soldier's benefit</i>	
	<i>First period²</i>	<i>Second period³</i>	<i>Regular work (daily benefit)</i>	<i>Preferred /required work (one-time grant)</i>
<i>January-March</i>	283	189	102.46	7,578
<i>April-May</i>	283	189	106.19	7,578
<i>June-December</i>	283	189	110.14	7,578

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

² 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.

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

REHABILITATION

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

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

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

In 2006 the Rehabilitation Bureau put out two tenders to purchase placement services for persons entitled to vocational rehabilitation – one designed for those who can be placed as part of the regular work force and the other for those who require comprehensive rehabilitative support – in order to promote the work integration of persons with special needs.

The Rehabilitation Bureau cares for about 17,000 rehabilitees every year.

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

Another recent trend, notable since 2000, is the establishment of a special network of intervention to cope with victims of the growing number of hostile or terrorist acts against the civilian population. During this period, there have been over 1,100 such acts, injuring over 7,500 people (many of them children and youth) and leaving about 800 families bereaved. 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. By the end of 2006, the network was caring for 3,150 persons with disabilities and for 1,874 bereaved families.

In the summer of 2006, when war broke out in northern Israel, the Rehabilitation Bureau worked on an emergency basis, caring for both bereaved families and for the many injured civilians, including panic victims. At the same time, Bureau employees continued to care for those injured in Sderot and other towns in the south of the country by Kassam rockets, as well as offering support and assistance to those who had been expelled from Gush Katif.

Despite the great burden on the Rehabilitation Bureau as a result of the numerous terrorist acts, the recent war in northern Israel and the attacks in southern Israel, the Bureau continued in 2006 to care for the other entitled population groups as well, by means of vocational rehabilitation plans and take-up of welfare rights.

INSURANCE AND COLLECTION OF CONTRIBUTIONS

Changes in rates of insurance contributions

In the framework of the 2006 income tax reform, it was decided to lower the burden of insurance contributions on low-wage earners, by means of two parallel measures:

1. raising the income base for reduced rates of contributions from 50% of the average wage to 60% thereof;
2. lowering the reduced rate for employees from 1.4% of wages to 0.4% thereof.

In order to set off the revenue loss to the NII as a result of these measures, it was further decided to raise the full rates of insurance contributions imposed on all types of insured persons (employees, self-employed and non-workers).

This is in addition to the continued gradual reduction in contributions paid by employers, until 2009.

These changes came into effect in January 2006.

Linking of maximum income (ceiling) to price changes

Under the Economy Arrangements Law-2004, the National Insurance Law was amended so that the maximum income (ceiling) liable for national and health insurance contributions is adjusted, as of 2006, according to price rises rather than according to the average wage. (This follows the 2002-2005 freeze in the maximum income due to the non-adjustment of the average wage for purposes of benefits and collection.) All the other collection parameters – level of income for reduced rates of insurance contributions, minimum income for the various types of insured persons and level of income for definition of a self-employed person – are adjusted to changes in the average wage as of 2006, similarly to the situation up to 2002.

The contribution rates for December 2006 for the various insurance branches, in addition to health insurance contributions, are shown in the following table.

Insurance Contribution Rates
December 2006 (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>	5.99	2.09	3.85	0.22	2.14	1.87	5.21	3.09
<i>Long-term Care</i>	0.21	0.07	0.14	0.01	0.07	0.06	0.18	0.12
<i>General Disability</i>	2.30	0.49	1.86	0.11	0.44	0.38	1.86	1.11
<i>Accident Injury</i>	0.09	0.02	0.07	0.01	0.02	0.01	0.08	0.06
<i>Work Injury</i>	0.61	0.54	--	--	0.61	0.54	0.68	0.39
<i>Maternity</i>	1.04	0.20	0.87	0.04	0.17	0.16	0.82	0.56
<i>Children</i>	2.17	1.91	--	--	2.17	1.91	2.40	1.39
<i>Unemployment</i>	0.25	0.04	0.21	0.01	0.04	0.03	--	--
<i>Bankruptcy</i>	0.02	0.02	--	--	0.02	0.02	--	--
Total Insurance Branches	12.68	5.38	7.00	0.40	5.68	4.98	11.23	6.72
<i>Health</i>	5.00	3.10	5.00	3.10	--	--	5.00	3.10
Total Contributions	17.68	8.48	12.00	3.50	5.68	4.98	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 and the self-employed at a rate of 0.69%.

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 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.

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

FUND FOR DEMONSTRATION PROJECTS

In 2006 the Department of Demonstration Projects of the NII dealt with 311 *demonstration projects* and project proposals. The Department, 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 2006 – are described below.

The client in the center

Family Aid Centers were developed by the Jerusalem Municipality in order to meet the needs for instrumental services and emotional support of clients of neighborhood social service offices. The operation of the centers is based on bringing together these requests in one unit in order to deal with them effectively and efficiently, without attempting to link them to psycho-social intervention. The goal of the project was to continue to develop the model of *Family Aid Centers* in two neighborhood centers in Jerusalem: in the Kiryat Yovel and Gonen neighborhoods. The principles underlying the operation of the centers were client empowerment and creating more partnership between professionals and clients.

The results of the research must be viewed in light of the economic recession and the social policy of cutting budgets of social services that seriously hurt the target populations of the *Client in the Center* demonstration centers.

Research findings show that the major achievements were:

- Continued development and dissemination of participatory work with the clients by the staffs of the demonstration centers;
- Development and dissemination of group work as an integral component of the centers' work;
- Maintenance of the level of service in a period of increasing needs and reduction of resources;
- Development of a model of a local steering committee for a unit of the neighborhood social service office;
- Development of resources for individuals and for the community;
- High level of client satisfaction, despite limited ability of the centers to provide the assistance expected by clients.

It is important to continue to develop and expand group work, with emphasis on empowerment of clients as individuals and groups. There is a need for continued development of the egalitarian paradigm of work with socially excluded populations and acceptance of the paradigm as part of the ongoing work of a social service department. There is also a need to deal with the place of the *Family Aid Center* based on this paradigm within the broader system of social services, and particularly in relation to community social work.

Preserving and rehabilitating family relationships during extra-familial placement in residential care

Yeladim – The Council for the Child in Placement, a non-profit organization, has developed a comprehensive program known as Preserving and Rehabilitating Family Relationships. Since the beginning of the 2003/4 school year, the program is being run in four residential programs for at-risk children removed from their homes by welfare authorities. The major goal of the program is to strengthen the relationship between these children and their parents, as well as that between the parents and the institution. One of the expected outcomes of the program is the consolidation of accumulated knowledge into a *working program with families* that could be distributed to the residential education and care system as a whole.

The program, administered by *Yeladim – The Council for the Child in Placement*, had three major goals:

1. To reduce the child's conflicts originating from "dual loyalty" (loyalty to parents versus loyalty to the residential program);
2. To improve the parents' relationship with the child on the one hand, and with the staff of the residential program on the other;
3. To improve the parents self-image and their ability to function as parents.

The major findings that emerged from the evaluation research show that most of the goals of the project were achieved to a large extent.

1. The project caused the parents to visit the institution more frequently, to participate regularly in the workshops and to improve their parental functioning.
2. The project succeeded in broadening the treatment staff's professional field of action – from an approach concentrating exclusively on the child to one that also focused on the parents.
3. The project managed to create a positive and more inviting attitude among the residential staff toward the parents and to see the parents as partners in the child's education. This was found to be true even when the child attended the residential program as a result of an injunction initiated by the welfare services.
4. The project proved that a focused effort to improve parent-child-staff relationships significantly affects the child's functioning in the residential program.
5. The three project components – parent workshops, family days, and parent-children summer camps – were shown to have the potential of achieving the goals set for the program as a whole.

The moshavim: from occupational crisis to livelihood

The *Mahavarim* program begun as a pilot program in 2001, in view of the deep ongoing economic and social crisis in the moshavim (agricultural settlements), and was based on a unique model supporting the 'delivery' of the employment agency into every household. The idea was to provide each moshav with an assisting employment agency which is based on a referent (semi-professional worker) who resides in the moshav and who can identify residents who require occupational assistance while getting their full

cooperation. Additionally, professional community-occupational workers are responsible for the professional counseling, teaching and guidance of the referents.

The *Mahavarim* program is a comprehensive program that intends to take care of most of the moshavim residents in many diverse areas such as: obtaining jobs for the unemployed, assigning better-quality jobs for presently employed people, consultation regarding the search for new jobs, profession or learning discipline, entrepreneurship consultation, and courses for professional education.

Overall, *Mahavarim* succeeded in recruiting most of the relevant population in need of such assistance. These individuals received assistance in guidance, training, consultation, information and new job acquirement. Throughout the program, many of the program-registered individuals acquired jobs, some by themselves while others using the assistance provided by *Mahavarim*.

The Nest-Pairs Program

Nest-Pairs is a new and innovative project, based on the Nest project. Both were developed by the Services for Children and Youth together with the Ministry of Welfare's Volunteering Unit. The project reaches out to families defined as isolated families with at least one child under the age of six. A pair of volunteers meets the parents, and at times the children as well, on a regular basis; the objective of their volunteering work is to improve parental functioning by helping the family to break out of isolation, and to help in diminishing the child's risk by improving his/her parent's functioning. According to Ministry of Welfare data, 10,000 families meeting these criteria are currently known to the social services departments.

The project was first operated in four localities in Israel and was supposed to involve 60 pairs of volunteers and 60 families. Three localities completed the project. At the end of the project, 12 families and volunteers were active, and another four pairs of volunteers were willing to continue their work with other families. At the time of the research report, the project had failed in building a significant setup for future work, and in being assimilated into the localities after its completion.

The projects' strong points relate mainly to its capacity to inculcate empowerment and its positive effect on the families in the context of raising children, and at times in other contexts related to support and breaking out of isolation.

An Olive Branch: integrating elderly Arabs and Jews

The *Olive Branch* project was planned and operated by a predominantly professionally-trained staff. The project included running a club for the elderly in Meiser (an Arab village) and incorporating elderly Arab residents in Miloh (the regional seniors' club). Even prior to opening the club for the elderly in Meiser, and continuing until the termination of the project, major efforts were made to involve elderly Arab residents in the activities. The staff's efforts bore fruit, and the number of elderly people who participated in the two clubs rose from about 25 in the first year to about 80 in the second.

Goals of the *Olive Branch* project included: improving the quality of life of the elderly Arab population in the villages and in the council, increasing awareness in Arab society of the needs of elderly people, equality of services for elderly Jewish and Arab residents in the *Menashe* Regional Council, raising the elderly residents' self-image and combining the activities of elderly Arab and Jewish residents under one roof, strengthening contact between Arabs and Jews in the Council and contributing to improved Jewish-Arab relations.

Information centers for the blind and visually impaired

Beginning in 2001, the Ministry of Social Affairs and JDC-Israel, with the assistance of the NII, the *Aleh* Association, and the Lighthouse Association, established information centers to provide people with seriously impaired vision with information about the rehabilitation services available to them and, to the extent necessary, with preliminary emotional support. In order to identify clients as soon as possible after the decline in their vision, the centers were located in a medical setting (ophthalmology clinics). They were staffed by students of therapeutic professions or professionals in various fields of therapy who were themselves visually impaired.

The findings of the study, conducted between 2001 and 2003, raised the following key points:

- ◆ The centers were an important disseminator of information.
- ◆ Overall satisfaction with the information centers was high.
- ◆ During the first two years of implementation (June 2001-May 2003), most of the centers were open once every two weeks, and an estimated 800 people visited them.

Leadership development program for senior citizens

The program, developed and implemented by the Department for Senior Citizens in the Israel Association of Community Centers, was aimed at meeting the needs of senior citizens in developing personal skills and in establishing them as involved and contributing citizens.

The program was initiated in May 2002 in four community centers in the south of Israel: Merhavim, Ashdod, Ashkelon and Dimona. It included three main components: 1. the mobilization of a nucleus of leaders and their training in a regional training program; 2. the recruitment of participants on the local level and their training in local training programs (in each of the four centers); 3. the initiation of field projects by the graduates of the program.

An evaluation study, carried out over two years (2002-2004) by the Myers-JDC-Brookdale Institute, examined the program's implementation and contribution.

Or LaYeled: day-care centers for children

The *Beit Moriah* organization undertook to operate a system of day centers for disadvantaged children, in five localities in the Negev region. *Beit Moriah* recruited

five community organizations to develop and promote afternoon centers for disadvantaged children in the 2003/04 and 2004/05 school years.

The goals of the project were: (a) to run afternoon centers for disadvantaged children in five localities in the southern region of Israel, and (b) to facilitate the development of core community organizations that will be able to continue the project independently later on.

The idea of running the afternoon centers as part of the *Or Layeled* project was successful and made an important contribution in many areas. The program was implemented at schools, and made use of existing equipment and facilities, so that the only expenses were for administration, educational staff, and disposable material. The project served families that were most in need of the assistance provided by the program.

Integrating the disabled into the community

This program was a joint effort of the NII, the Ministry of Education and *Ilan* (Israel Foundation for Handicapped Children), aimed to increase the number of working disabled persons in the labor market and to enhance job satisfaction, employee abilities and most importantly – job-ability fit.

Criteria for evaluating the program were based on attitudes towards the program, staff-parents relationship, employment training, work experience and placement. An emphasis was placed on the students' level of satisfaction with the program and the workplace, as well as on the program's contribution to their life and employment skills. Key elements to which this evaluation program was directed were the course of the implementation of the program in the schools and the teachers' willingness to accept its ideas and goals.

At the end of the trial stage of the program, the four schools participating in the program integrated the basic principles of the program into their work routine, and a majority of the participating students were working, some in the free market, some in rehabilitation centers and some in sheltered factories.

Beit Reshet project for treatment of youth at risk within the community

Beit Reshet, operating in Ashdod, provided a range of services, at one location, for youth-at-risk. It was a short-term community response for youth in crises with the objective of evaluating their ability to function in the community and helping them to improve their functioning before referring them to other placements. The major goal of *Beit Reshet* was to enable the integration of these youth in the community.

The units in *Beit Reshet* included an intake unit to provide a flexible system for the initial diagnosis and treatment of the participants, and a day center providing a framework with structured activities during the day, as well as setting limits and boundaries affecting the participants' behavior. The length of stay in the day center was three months. Another unit was the shelter operating within *Beit Reshet* which provided services for youth in crisis who had run away from home or who had no place

to live. One of the characteristics of *Beit Reshet* is that about half of the population that received services in this project consisted of new immigrants.

The data indicated that the short term treatment provided in *Beit Reshet* facilitated an improvement in various components of the functioning of youth-at-risk. These components include the level of functioning during the time of the activities, relationships with staff, and, to a certain extent, relationships with family members and the community. It should be noted, however, that the main findings which indicate some change in the participants were changes within the context of *Beit Reshet*. Findings which indicated changes within the familial and social context of the youth were limited, since this research was limited in its ability to document changes in the behavior of the youth outside of *Beit Reshet*.

The Reshet Model - Continual Occupational Services

The goal that the *Reshet – Continual Occupational Services* program set for itself was the integration of Ethiopian income support recipients into the labor market, by strengthening their qualifications to compete for jobs. The Ethiopian population has occupational difficulties rooted in limited formal education and training and in the cultural differences between them and the veteran population of the country. These differences lead to further obstacles, mostly based on widespread stereotypes and prejudices.

The Reshet model was planned as a dynamic one to enable mobility of its participants between the various occupational steps, whereby progress from one step to another is in accordance with the achievements of the individual participant. The maximal participation period in the program is one year. The program is divided into four main stages: the theoretic preparation stage, the stage of training in an occupational workshop, the occupational assignation stage – working in factories without the benefit of employer-employee relationships – and finally, the fourth stage, where the individual is assigned full-time employment.

The findings indicated that most participants, including participants who did not graduate the program, were employed, strengthening the indications of the program's success. Participants, who graduated the program, even if a workplace was not found for them in the program's framework, or if they resigned, tended to remain in the labor market.

FUND FOR DEVELOPMENT OF SERVICES FOR PEOPLE WITH DISABILITIES

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

The Fund has for the past thirty years provided major assistance for the purchase of new equipment, renovations and for new building to a multitude of governmental, municipal and voluntary non-profit service providers. In the year 2006 there were about 1,650 projects (including applications and projects in process); 165 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 90 million in 2006), and it provides allocations for a very wide range of disabilities – including the developmentally disabled, emotionally disabled, blind, visually disabled, deaf and hearing-impaired, motor-function disabled, autistic, learning disabled and individuals with disease-related disabilities.

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

Community Residences – The Fund has been a primary catalyst in the development of residential services for the disabled, which have experienced an enormous expansion in the past five years. Funding is provided for a continuum of different residential options, such as hostels, sheltered apartments and training apartments. Support for community residences is provided for individuals who are either developmentally disabled, emotionally disabled, autistic or learning disabled.

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 and is currently embarking on a nationwide effort to establish Support Centers for Students with Learning Disabilities, in conjunction with the *Council for Higher Education*.

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

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

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

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 2006 and 2007, and until the full implementation of the law, the Fund is focusing its efforts on expanding accessibility in institutional residents, universities and colleges, as well as in informal education settings such as community centers and libraries.

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

Trends and Developments 2006

on refurbishing residential pavilions, building new housing to cope with chronic overcrowding, building day activity centers and improving basic infrastructure.

For the first time, the Fund has earmarked approximately 7% of its annual budget for 2006 and 2007 for renovations in privately owned and operated institutions and community residences for the developmentally disabled.

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.

The annual budget for service development projects under this Fund is NIS30 million. The Minister of Social Affairs and the Minister of the Treasury authorize projects approved by the NII, after consultation with the Public Council.

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

The Fund supports service development in four primary areas: building, expanding and enhancing day centers for the elderly, including raising the standard of day centers by adding functions such as physiotherapy, health fitness equipment and therapeutic gardening; expanding and developing sheltered housing environments; additions and upgrading of beds and physical environment in nursing homes; developing training programs for geriatricians and courses for home care attendants who provide personal care for elderly eligible for Long-Term Care Insurance benefits.

In 2005 the Fund approved 25 new programs, which included 11 community and 14 institutional projects. During this year, a total of 308 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 2006: about NIS 7 million, of which the Fund committed to spent about NIS 3.2 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 2006, the Fund operated about 65 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.

There is no doubt that we are facing a social crisis, and the development of this Fund heralds a decision by the National Insurance Institute to put this important topic in the forefront of its agenda.

The strategic aims of the Fund as defined for the next three years are 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.

In 2004, a call for proposals elicited a large number of requests for funding new programs. As a result, 400 projects were approved and have begun to be implemented. In 2005, the Fund assessed additional proposals for service development.

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, fifteen such Conventions have been concluded and are in force.

No new bilateral Conventions came into force in 2006.

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

Bilateral Conventions

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

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	<i>Date of Signature</i>	<i>Operative Date</i>	<i>Coverage</i>	<i>Insurance Branches</i>	<i>Competent Institution</i>
<i>Switzerland</i>	March 23, 1984	October 1, 1985	Swiss or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors and Disability	Caisse Suisse de Compensation, 18 Ave Ed Vaucher, CH-1211 Geneva 28, Switzerland
<i>Italy</i>	January 7, 1987	November 21, 1989	Italian or Israeli residents employed in the territory of the other country	None	Ministero del Lavoro e della Previdenza Sociale 17, Via della Trezza 00187 Roma, Italy
<i>Poland</i>	October 31, 1991	December 31, 1991	Polish or Israeli citizens entitled to work injury or occupational disease benefits	Work Injury and Occupational Diseases	Zaklad Ubezpieczen Spolecnych Biuro Rent Zagranicznych ul. Senatorska 10 00-082 Warszawa, Poland
<i>Denmark</i>	July 3, 1995	April 1, 1996	Danish or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Work Injury and Occupational Diseases, Maternity and Children	Den Sociale Sikringsstyrelse, Landemaerket 11, 1119 Kobenhavn K, Denmark
<i>Finland</i>	September 15, 1996	September 1, 1999	Finnish or Israeli citizens, refugees and stateless persons who are employees or self-employed, and members of their families	Old-Age, Survivors, Disability, Work Injury, Maternity and Children	The Social Insurance Institution KELA Office for Int'l Affairs, P.O. Box 72 00381 Helsinki Finland 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	Canada Customs and Revenue Agency (CCRA) CPP/EI Eligibility Division 25 McArthur Rd, Tower C Room 764, 7th Floor Vanier, Ontario K1A 0L5 Canada

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

FUTURE CHANGES

Ownership of vehicle in income support

A person who owns a vehicle (except a motorcycle) is not eligible for an income support benefit, unless he is disabled in his legs or needs the vehicle for medical reasons.

As of January 2007, ownership of a vehicle will no longer rule out eligibility for an income support benefit, under the following conditions:

- The claimant has an income of over 25% of the average wage or he has reached retirement age and has an income of over 17% of the average wage;
- He owns or uses a car of up to 1300 cc that is at least seven years old, or of up to 1600 cc that is at least 12 years old;
- He has no other car.

The change aims at providing income support recipients with an incentive to work.

Income support recipient who goes abroad

A person who goes abroad more than once in a calendar year is not eligible for an income support benefit for the month he left or for the month he returned from abroad. If he was abroad for a full month, he is not eligible for that month.

According to a new change to be in effect as of January 2007, eligibility for income support benefit will not be ruled out to a person who has reached retirement age and goes abroad three times in a calendar year, if the total number of his days abroad in the calendar year does not exceed 72 days.

Third level of long-term care benefit

A change to be implemented as of January 1, 2007 shall gradually add a new, third (medium) level of long-term care benefit to be granted to elderly persons very dependent on the help of others for the performance of everyday activities. At the end of the process (in 2009), the rate of benefit at the highest level paid to entitled persons shall be 15% higher than the rate that they receive today. The rates of benefit at the two other levels shall be slightly reduced.

At present, there are only two levels of long-term care benefit: 93% of the full individual disability pension for one who is dependent to a large extent on the help of others for the performance of everyday activities or is in need of supervision, and 150% of the full individual disability pension for one who is completely dependent on the help of others for the performance of everyday activities or is in need of constant supervision.

Condition of suitable work in unemployment insurance

In order to be eligible for unemployment benefit, the unemployed person must be ready and able to work at any *suitable work* offered him by the labor exchange. *Suitable work* is defined by three conditions, loosely described as follows:

- It is suitable to his profession, education and health;
- The wages are at least equal to the unemployment benefit due him;
- It does not require a change in his residence.

Under a new change to apply to unemployed persons whose determining date (the first of the month in which their unemployment began) is on March 1, 2007 or thereafter, the first and second above conditions will not apply to the following categories of unemployed persons:

- Persons under the age of 25, after 14 days from their determining date;
- Persons over 25 but not yet 28, after 30 days from their determining date;
- Persons over 28 but not yet 35, after 60 days from their determining date.

Presently, the first two conditions in the definition of *suitable work* do not apply to unemployed persons under the age of 35, from the third month of their unemployment.

Change in definition of disabled housewife

Article 195 of the National Insurance Law, dealing with the definition of *disabled housewife*, is to be changed. Under the amendment (no. 93), a non-married woman who received a disability pension as an *earner* and then got married will continue to automatically receive the pension as an *earner*, and not as a *disabled housewife*. The amendment is in force as of March 1, 2007 and applies retroactively 24 months previous to that date – that is, to women who married as of March 1, 2005.

Presently, such women may be eligible either as an *earner* or as a *disabled housewife*, depending on their period of work.

Cash payment of long-term care benefit

Under a temporary order (Amendment no. 92) for a period of two years, beginning on June 1, 2007, sub-article 225A shall be added to the National Insurance (Long-Term Care) Law, pertaining to payment of benefit directly to the entitled person, in the framework of an experimental project.

The change shall apply to entitled persons who live in one of the defined “experimental areas” of the project, and who receive long-term care services – from a caregiver who is not a family member – for most hours of the day, six days a week. Under the project, such persons may receive a cash benefit instead of the in-kind benefit they presently receive, at the rate of 80% of the in-kind benefit, if they so choose.

A research study shall accompany the experiment, at the end of which it shall be decided whether or not to expand it to the rest of the country on a permanent basis.

Presently, a cash benefit is paid only if long-term care services are not available and if the entitled person lives with a family member who cares for him.