

Old Age, Disability, Death

First and current laws: 1953 (old age and survivor pensions), 1970 (disability), 1980 (long-term care), and 1982 (income support).

Type of program: Dual social insurance and social assistance systems.

Exchange rate: U.S.\$1.00 equals 4.21 new shekels (NS).

Coverage

Social insurance: All residents (including housewives) aged 18 and over, except persons who immigrated after age 60.

Social assistance (income support programs, means-tested):

Residents aged 20 or older.

Source of Funds

Insured person: Social insurance—Employee, 1.46% of earnings below one-half of national average wage for old-age and survivors, 0.71% for disability and 0.05% for long-term care. 2.7% of earnings above one-half of average wage for old-age and survivors; 1.3% for disability; 0.1% for long-term care.

Self-employed, 2.63% of earnings below one-half of average wage for old-age and survivor pensions; 0.95% for disability; 0.10% for long-term care. Rates on earnings above one-half of average wage; 4.55%, 1.68% and 0.16%, respectively.

Social assistance (income support programs): No contribution.

Employer: Social insurance—1.85% of payroll for old-age and survivor pensions; 0.38% for disability; 0.06% for long-term care.

Social assistance (income support programs): No contribution.

Government: Social insurance—0.87% on earnings above one-half of average wage for old-age and survivors, 0.27% for disability, and 0.04% for long-term care. Reduced contributions on earnings below one-half of average wage, both for employees and self-employed.

Long-term care: Government subsidizes cost of benefits to new immigrants. Additional government subsidies equal to 15% of employee and employer contributions paid for old age and survivors.

Social assistance (income support programs)—Entire cost.

Government also pays entire cost of pension to uninsured (new immigrants), as well as 50% of cost of pension to those disabled before enactment of 1970 law. Maximum earnings for contribution purposes: 4 times the average wage as of January 1 each year for all insured persons; minimum, 25% of average wage.

Average wage as defined in National Insurance Law for purposes of calculation of benefits and collection of insurance contribution, NS5,981 in 1999.

Qualifying Conditions

Old-age pension: Social insurance—Age 65 for men or 60 for women (65 for housewives). 5 years of insurance in last 10, or total of 12 years' insurance. (No qualifying period for insured women widowed, divorced, deserted, married to uninsured husband, or unmarried and aged 55 or over at time of immigration.) Pension reduced if income from work exceeds 57%-76% of average wage (according to number of dependents), until age 70 (65 for women).

Social assistance—Income support benefit (income-tested): 24 months continuous residence, subject to a means test (12 months for new immigrants); incapable of providing self with earned income and not eligible for payments from any other source.

Income supplement (income-tested): Partial benefit payable to individuals whose combined earned and benefit income falls short of minimum income level for subsistence.

Disability pension: Israeli resident aged 18-65 (18-60 for women).

No qualifying period. Medical disability of at least 40% and functional loss of at least 50% (disabled housewife, medical disability of at least 50%).

Attendance allowance: Dependent on the help of others, at least 60% disabled if receiving disability pension; at least 75% disabled and means-tested for those not receiving disability pension.

Long-term care benefit (means-tested): Age 65 (men) or 60 (women), not institutionalized, dependent upon help of others for performance of everyday functions or in need of supervision.

Benefit for disabled child: Residing in Israel; not institutionalized or with foster family; not receiving mobility allowance, unless parent has two disabled children and under circumstances defined in regulations.

Survivor pension: Deceased had 12 months of insurance prior to death, or 24 months in last 5 years, 60 months in last 10 years or met qualifying period for old-age pension.

Income supplement (income-tested): Same as under old-age pension.

Old-Age Benefits

Old-age pension: 16% of average wage as defined in National Insurance Law (see Source of Funds), 24% for couple.

Dependents' supplements: 5% of average wage for each of first 2 children.

Old-age pension with income supplement (income-tested): 25% of average wage, 37.5% for couple, 47.5% for couple with one child, 57.5% for couple with 2 or more children. The resulting amounts are increased by a further 7%.

Increments: Pension is increased by 2% per year of coverage beyond 10 years, and 5% of pension for each year retirement postponed.

Maximum increments, 50% and 25%, respectively.

Income support benefit (income-tested): 20%-25% of average wage, 30%-37.5% for couple. (Varies with age and duration of benefit).

Adjustment: Automatic adjustment of benefits for changes in average wage.

Permanent Disability Benefits

Disability pension: Total disability: at least 75% disabled, pension equals 25% of average wage (full single disability pension) plus 7% of this amount, without income test. Partial disability, proportionally reduced.

Dependents' supplements (income-tested): Up to 12.5% of average wage for spouse, and 10% each for first 2 children. This supplement is increased by 7%.

Attendance allowance: 50%, 100%, or 150% of full single disability pension (30%, 60%, or 90% if housewife) according to severity of dependence.

Benefit for disabled child: 30%-120% of full single disability pension.

Long-term care benefit: 25% of average wage if largely dependent on help, 37.5% if completely dependent.

Benefits payable directly to organization providing long-term care services, and not to the entitled person (who receives the benefit at 80 percent of the rate indicated above, only if services are not available and beneficiary cared for by a family member).

Automatic adjustment of benefits: Same as old-age pension.

Survivor Benefits

Survivor pension: Surviving spouse, 16% of average wage if age 50 or over, or caring for child. 2% increment for insurance years of deceased beyond 10.

Reduced pension for widow/widower aged 40-49 with no children: 12% of average wage. Lump sum of 3 years' full pension if under age 40 and with no children.

On receipt of old-age pension, survivor pension reduced by one-half. Adjustment: Automatic adjustment of benefit: same as for old-age pension.

Orphans: 7.5% of average wage for each child. Full orphans, 10% each.

Survivor pension with income supplement (income-tested):

Widow/widower with no children, 25% of average wage;

Widow/widower with 1 child, 42.5% of average wage (less NS169 in 1999); with 2 or more children, 52.5% (less NS169 in 1999).

Resulting amounts are increased by a further 7%.

Orphans and abandoned children: 1 child, 25% of average wage (less NS169 in 1999); 2 children, 37.5% of average wage (less NS338 in 1999).

Death grant (lump sum): 100% of average wage, 150% if receiving income support.

Funeral grant: Cost of burial up to a fixed amount.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

National Insurance Institute, administration of program, contributions, and benefits through its branch offices.

Sickness and Maternity

First and current law: 1953; 1976 (sickness); 1995 (medical care).

Type of program: Social insurance system.

Coverage

Sickness benefits: All employees. **Medical care:** all residents.

Maternity benefits: Employed and self-employed, aged 18 or over.

Also payable to parents who adopt a child under age 10.

Maternity grant: Insured woman or wife of insured; non-residents including employed and self-employed women and wives of employed and self-employed men. The non-resident woman or husband must have been working in Israel at least 6 months immediately preceding childbirth, birth must occur in Israel.

Source of Funds

Insured person: Employee, 4.8% of earnings for medical care, 0.6% for maternity (3.1% and 0.33% of earnings below one-half of national average wage). Self-employed, 4.8% of earnings for medical care; 0.75 for maternity (3.1% and 0.48% of earnings below one-half of average wage).

Employer: 0.15% of payroll for maternity.

Government: 0.10% of earnings for maternity (reduced contribution for earnings below one-half of average wage).

Maximum earnings for contribution and benefit purposes: 4 times average wage.

Qualifying Conditions

Cash maternity benefits: 10 months of insurance in last 14 months, or 15 months in last 22 months; (for women only: if only 6 months of insurance in last 14 months, benefit payable for 6 weeks only).

Multiple-birth allowance: 3 or more children, of whom at least 3 survive past 30 days.

Maternity and hospitalization grant: Birth for which hospitalization necessary. Special allowance and special benefit: the death of the mother, who was insured for maternity grant, while giving birth or within a year of giving birth.

Sickness and Maternity Benefits

Sickness benefit: 75% of earnings for 90 days (up to 100% without limit if stipulated in labor agreement).

Maternity benefit: 100% of earnings (minus taxes and insurance). Payable for 12 weeks.

Adjustment: Benefits adjusted for cost-of-living increments paid to employees.

Maternity grant: NS1,196 for layette (higher for multiple births).

Hospitalization grant payment of hospitalization expenses to the hospital a sum set in the regulations and updated from time to time.

Multiple birth allowance: For 3 children, 50% of average wage; 4 children, 75%; 5 or more children, 100%.

Fixed payment for cost of transportation to hospital in certain cases.

Workers' Medical Benefits

Medical benefits: Services provided by doctors and hospitals owned and operated by, or under contract to, the sickness fund. Includes general and specialist care, medicines, laboratory services, hospitalization, and rehabilitation. Patient pays partial cost of drugs and appliances.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured.

Special allowance and special benefit: If insured woman dies within one year of childbirth, spouse receives 30% of average wage for 24 months for each child of the last childbirth (12 months, if also receiving survivor or dependent's benefit for child). If spouse stops working to care for child, he receives 75% of earnings, subject to a maximum, for up to 12 weeks.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

National Insurance Institute, administration of maternity program.

Sickness insurance and medical care administered by 4 sickness funds under Ministry of Health.

Work Injury

First and current laws: 1953 (employees), 1956 (self-employed).

Type of program: Social insurance system.

Coverage

Employees, self-employed persons, members of cooperatives and migrant workers (including residents of territories and the autonomy) working in Israel.

Source of Funds

Insured person: Employee, none. Self-employed, 0.53% of earnings (0.33% of earnings below one-half of average wage).

Employer: 0.53% of payroll.

Government: 0.17% of payroll and earnings (reduced rate for earnings below one-half of average wage).

Maximum earnings for contribution and benefit purposes: See old-age pension above.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Injury allowance: work incapacity and absence from work due to work injury.

Temporary disability grant: Payable to person with degree of disability estimated at 5% to 20% (not inclusive).

Temporary Disability Benefits

Temporary disability benefit (Injury Allowance): 75% of earnings. Payable after 2-day waiting period (no waiting period, if work incapacity lasts at least 12 days) for up to 182 days.

Adjustment: Adjusted after 91st day according to changes in average wage and employee cost-of-living adjustments.

Permanent Disability Benefits

Permanent disability pension: 75% of earnings, if totally disabled.

Partial disability: Percent of full pension proportionate to degree of disability, if 20% to 99% disabled; grant equivalent to 70 monthly pensions, if 5% to 20% (not inclusive) disabled.

Adjustment: Adjusted for changes in average wage and employee cost-of-living adjustments.

Workers' Medical Benefits

Medical benefits: Cost of medical attendance, hospitalization, medicines, appliances, transportation, and rehabilitation.

Survivor Benefits

Survivor pension: Payable to widow or dependent disabled widower; equal to 60% of total disability pension of insured if age 50, disabled, or caring for child; 40% of pension if age 40-49; otherwise, lump sum of 3 years' pension.

Orphans: 20% of pension of insured for 1st orphan, 10% each for 2nd and 3rd. Full orphans: 60% of pension for 1st, 20% for 2nd, and 10% each for 3rd and 4th.

Death grant (lump sum): 100% of average wage, 150% if receiving income support benefit.

Other dependent relatives (if no spouse or orphan): 50% of pension of insured for 1 dependent, up to 100% for 4 or more.

Funeral grant: Cost of burial up to fixed amount.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

National Insurance Institute, administration of program (including contributions and benefits) through its branch offices.

Unemployment

First and current law: 1970.

Type of program: Social insurance system.

Coverage

Employees aged 18 and over, and under pensionable age; age 15-18 if partially supporting parents, or without parents and undergoing vocational training.

Source of Funds

Insured person: Employee, 0.15% of earnings (0.08% of earnings below one-half of average wage).

Employer: 0.04% of payroll.

Government: 0.11% of payroll (0.07% of earnings below one-half of average wage).

Maximum earnings for contribution and benefit purposes: See old-age pension above.

Qualifying Conditions

Unemployment benefit: Regular employee: 180 days of contributions out of 360 days, or 270 days out of 540; daily employee, 150 days of contributions out of 360 days, or 225 days out of 540; minors, 100 days contributions out of 360 days. Registered at the labor exchange and capable of work. Unemployment not due to voluntary leaving or refusal of suitable offer.

Unemployment Benefits

Unemployment benefit: 40%-80% of average daily wage during last 75 work days of qualifying period. Maximum daily benefit: NS427.61.

Payable after 5-day waiting period. Maximum: 138 days per year (175 days for unemployed person over age 45 or with 3 dependents). Adjustment: Benefits adjusted according to changes in average wage and employee cost-of-living adjustments.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

National Insurance Institute, administration of program (including contributions and benefits) through its branch offices.

Family Allowances

First law: 1959.

Current law: 1975.

Type of program: Universal system.

Coverage

Residents with 1 or more children.

Source of Funds

Insured person: Employee, none. Self-employed, 1.88% of earnings (1.18% of earnings below one-half of average wage).

Employer: 1.88% of payroll.

Government: 0.60% of payroll (reduced rates on earnings below one-half of average wage—0.04% for employee, 0.06% for self-employed) plus amount equal to 160% of all receipts from insurance contributions. Maximum earnings for contribution and benefit purposes: See old-age pension, above.

Qualifying Conditions

Family allowances: Child must be under age 18.

Family Allowance Benefits

Family allowances: NS169 a month for each of first 2 children, NS338 for 3rd, NS683 for 4th, NS574 for 5th child, NS633 for 6th, and NS591 for 7th and each subsequent child in January 1999.

Adjustment: Adjustment in January of every year and whenever a cost-of-living increment is paid.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

National Insurance Institute, administration of program (including contributions and benefits) through its branch offices.