

Israel

Exchange rate: US\$1.00 equals
4.56 new shekels (NS).

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1953 (national insurance), implemented in 1954; 1955 (survivor pensions); 1957 (old-age pensions), with 1996 amendment; 1970 (disability insurance); 1974 (pensions), with 1977, 1979, and 1981 amendments; 1980 (long-term care insurance); 1980 (income support); 1982 (benefits); and 1988 (benefits).

Type of program: Social insurance and social assistance system.

Coverage

Social insurance: All residents (including housewives) aged 18 or older.

Exclusions: Persons who immigrated at age 60 or older.

Social assistance (income support programs, means-tested): Residents aged 20 or older.

Exclusions: Those living in institutions whose maintenance is paid entirely by the state, the Jewish Agency, a local authority, or religious institution; persons serving in the regular army and their spouses; members of a kibbutz or cooperative village; vehicle owners (unless disabled in the legs or dependent on the vehicle for medical reasons); and students in higher education.

Source of Funds

Insured person: 0.77% of earnings below, plus 3.04% of earnings above, one-half of the national average wage (old-age and survivor pensions); 0.37% of earnings below, plus 1.46% of earnings above, one-half of the national average wage (disability benefits); and 0.03% of earnings below, plus 0.11% of earnings above, one-half of the national average wage (long-term care).

Self-employed person: 2.63% of earnings below, plus 4.55% of earnings above, one-half of the national average wage (old-age and survivor pensions); 0.95% of earnings below, plus 1.68% of earnings above, one-half of the national average wage (disability benefits); and 0.10% of earnings below, plus 0.16% of earnings above, one-half of the national average wage (long-term care).

Employer: 2.23% of payroll (old-age and survivor pensions), 0.46% (disability benefits), and 0.07% (long-term care).

Government: 0.87% of earnings above one-half of the national average wage (old-age and survivor pensions), 0.27% of earnings above one-half of the national average wage (disability benefits), and 0.04% of earnings above one-half of

the national average wage (long-term care). Reduced contributions are paid on earnings below one-half of the national average wage for old-age, disability, and survivor benefits for employees and the self-employed; reduced rates for employees only for long-term care.

The government participates in financing old-age and survivor pensions at a rate of 15% of employee and employer contributions.

The government pays the total cost of old-age and survivor pensions to uninsured new immigrants, the cost of long-term care benefits to new immigrants, and the total cost of social assistance income support programs and mobility allowance.

The minimum earnings for contribution purposes are NS3,335 (equal to the minimum wage) for employees and NS1,471 (25% of the national average wage) for the self-employed. (A person earning less than this sum pays contributions as if earning the minimum.)

The maximum earnings for contribution purposes for employers and employees are five times the national average wage as of January 1 each year.

The national average wage in January 2004 was NS6,964. (The value of the national average wage has been frozen since December 2001.)

Qualifying Conditions

Old-age pension

Social insurance: Beginning July 1, 2004, the retirement age and the age for the earnings-tested pension will rise gradually until it reaches age 67 (men) or age 62 (women), and the pensionable age (absolute age for receiving the pension, without an earnings test) will rise until it reaches age 70 (men and women).

Note: Until June 30, 2004, the age for the earnings-tested pension was age 65 (men), age 60 (women), and age 65 (housewives), and the absolute pensionable age was age 70 (men) or age 65 (women).

Reduced pension: The pension is reduced if income from work exceeds between 57% and 76% of the national average wage (according to the number of dependents), until age 70 (men) or age 65 (women).

Five years of insurance coverage in the last 10 years or a total of 12 years of insurance coverage; insured women who are widowed, divorced, deserted, married to an uninsured husband, or unmarried and aged 55 or older at the time of immigration are exempt from the qualifying period, as are women who received a disability pension for the 12 months preceding age 60.

Earnings test: The pension is reduced or suspended if income from work exceeds 57% (for a single person) or 76% (for a person with dependents, according to the number of dependents) of the national average wage until pensionable age. There is no earnings test on reaching the pensionable age.

Deferred pension: Paid between the earnings-tested age and the pensionable age to persons who were previously ineligible to receive the pension because of the earnings test.

Dependent supplement (earnings-tested): A supplement is paid for a dependent spouse or child.

Seniority increment: The increment is paid for years of insurance coverage in excess of 10. A housewife is not entitled.

Special old-age benefit (social assistance): A government financed pension for new immigrants not insured because of their age at the time of immigration and insured persons who emigrated from Israel then returned and do not satisfy the qualifying period condition at pensionable age.

Income support benefit (social assistance): Twenty-four months of continuous residence (12 months for new immigrants), subject to an earnings test and employment test; incapable of providing self with earned income sufficient for subsistence.

Partial benefit is payable to individuals whose combined income from employment and benefits falls short of the minimum income level for subsistence.

Disability pension: Israeli residents between ages 18 and the earnings-tested age for the old-age pension. There is no qualifying period. An assessed degree of medical disability of at least 60% (at least 40% for a man with a single assessed medical disability of 25% or more; at least 50% for a disabled housewife) and a functional loss of capacity of at least 50%.

Additional monthly pension: For those with at least a 75% incapacity who do not reside in an institution at the main expense (over 50%) of a public body and with an assessed degree of medical disability of at least 50%.

Dependent supplement: A supplement is paid for a spouse or a child with earnings below 57% of the average wage.

Attendance allowance: Dependent on the help of others to perform everyday functions or in need of supervision. At least 60% disabled and receiving the disability pension; if not receiving the disability pension, at least 75% disabled and subject to an earnings test.

Disabled child benefit: Resident in Israel, not institutionalized or living with a foster family, and not receiving mobility allowance (mobility allowance may be received if the parent has two disabled children, or under other permitted exceptional circumstances).

Long-term care benefit (earnings-tested): Of earnings-tested age for the old-age pension, not institutionalized, but dependent on the help of others for performing everyday functions or in need of supervision. The benefit is not paid to a single person with income higher than 1.5 times the average wage, to a couple with income higher than 2.25 times the average wage, or to a person with a child with an additional income higher than 0.75 times the average wage for each child.

Mobility allowance: Israeli residents aged 3 or older but younger than the retirement age (men) or the pensionable age

(women) with a loss of mobility. A medical committee assesses the degree of loss of mobility.

Survivor pension (social insurance): Paid to a widow(er) or child up to age 18 (age 20, if in higher education or premilitary framework; age 21, in military or volunteer service; up to age 22, in certain other cases) of an insured person who died from any cause, except war or hostile action. The deceased had 12 months of coverage prior to death, or 24 months of coverage in the last 5 years, or 60 months in the last 10 years, or met the qualifying period for the old-age pension. The pension for a widow(er) ceases on remarriage.

A widow must have been married to the deceased for at least 1 year (6 months if aged 55 or older) or had a child with the deceased.

A widower must have been married to the deceased for at least 1 year (6 months if aged 55 or older) and must either have a child of the deceased living with him or satisfy an earnings test.

Survivor pension with income supplement (social assistance): Payable to individuals whose combined income from employment and the survivor pension is less than the minimum income level for subsistence.

Survivor pension seniority increment: Paid if the insured (except a housewife) had more than 10 years of insurance.

Survivor grant: Paid to a widow(er) under age 40 without dependent children or to a widower whose right to a survivor pension has expired.

Special survivor benefit: Paid to the widow and orphans of a resident who was not insured at the time of his immigration.

Marriage grant: Paid to a widow(er) who remarries. The right to the survivor pension ceases.

Death grant: The grant is paid to the widow(er) or children of a pensioner.

Funeral grant: On the death of the insured, the grant is paid to the organization responsible for the funeral service.

Benefits are payable abroad under bilateral agreement.

Old-Age Benefits

Old-age pension

Social insurance: 16% of the national average wage; 24% for a couple.

Dependent supplement: 5% of the national average wage for each of the first two children up to age 18 (age 20, if in higher education or premilitary framework; age 21, in military or volunteer service; up to age 22, in certain other cases).

Income supplement: Payable if income, including the pension, is below the minimum level for subsistence. Rates vary between 25% and 57.5% of the national average wage, depending on marital status and number of children. The resulting sums are increased by a further 7%.

Deferred pension: The pension is increased by 5% of its value for each year of deferred retirement.

Seniority increment: The pension is increased by 2% per year of coverage beyond 10 years, subject to a ceiling of 50% of the pension.

Special old-age benefit (social assistance): The benefits are the same as the social insurance old-age pension.

Income support benefit (social assistance): 20% to 25% of the national average wage; 27.5% to 37.5% for a couple (without children). The benefit varies with age.

Benefit payments are reduced by 4%.

Benefit adjustment: Benefits are adjusted automatically when the national average wage is updated, normally each January. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

Permanent Disability Benefits

Disability pension: If at least 75% disabled, the full single disability pension equals 25% of the national average wage plus 7% of this amount (no earnings test).

Partial disability: The pension is reduced in proportion to the assessed degree of disability.

Additional monthly pension: 17% of the disability pension if the assessed degree of disability is 80% or higher; 14% for an assessed degree of disability between 70% and 79%; 11.5% for an assessed degree of disability between 50% and 69%.

Dependent supplement (income-tested): Up to 12.5% of the national average wage for a spouse; 10% for each of the first two children. The supplement is increased by 7%.

Income supplement: Payable if income, including the disability pension, is below the minimum level for subsistence.

Attendance allowance: 50%, 100%, or 150% of the full single disability pension, according to the level of dependence.

Attendance allowance increment: Paid at the rate of 14%, 28.5%, or 42.5% of the full disability pension, according to the level of eligibility for attendance allowance.

Disabled child benefit: The benefit is paid at a basic rate of between 30% and 120% of the full single disability pension, according to the assessed degree of disability.

Disabled child benefit supplements: The cost of studies for disabled students and an additional pension for severely disabled children.

The maximum total benefit is 137% of the full individual disability pension.

Long-term care benefit (earnings-tested): 93% of the full individual disability pension if largely dependent on the help of others; 150% if completely dependent. Benefits are payable directly to the organization providing the long-term care services, not to the beneficiaries (who receive the benefit at 80% of the rates indicated above only if services are not available and they live with and are cared for by a family member).

Benefit adjustment: Benefits are adjusted automatically when the national average wage is updated, normally each January.

(The value of the national average wage (NS6,964) has been frozen since December 2001.)

The benefit is reduced by 50% if income is higher than the average wage for a single person; 1.5 times the average wage for a couple, plus 0.5 times the average wage for each child, up to a maximum.

Mobility allowance: A monthly pension to help cover mobility expenses. The pension varies depending on whether the recipient has earned income, has a driving license, and owns an automobile. Additional cash benefits may be provided to help cover automobile taxes and costs resulting from a loss in mobility.

Benefit adjustment: The pension is adjusted periodically according to increases in the cost of automobile maintenance.

Survivor Benefits

Survivor pension: For a surviving spouse aged 50 or older or if caring for a child, the pension is 16% of the national average wage. A 7.5% increment is paid for each child.

A single child not covered by the survivor pension child increment receives 10% of the national average wage; 7.5% of the national average wage each if there is more than one child; 10% for each full orphan.

For a widow(er) between ages 40 and 49 with no children, the pension is 12% of the national average wage.

If the survivor also receives the old-age pension, the survivor pension is reduced by 50%.

Survivor pension with income supplement (social assistance): A widow(er) with no children receives a total of 25% of the national average wage; a widow(er) with one child, 42.5% (less NS120); or 52.5% (less NS120) with two or more children. The resulting pensions are increased by an additional 7%. For one child (orphans and abandoned children), the total pension is 25% of the national average wage (less NS120); for two children, 37.5% (less NS240).

Survivor pension seniority increment: The pension is increased by 2% for each year of coverage of the deceased beyond 10 years, up to a ceiling of 50% of the pension.

Survivor grant: For a widow(er) under age 40 who has no children, a lump sum of 3 years' full pension.

Special survivor benefit: The benefits are the same as for the social insurance survivor pension.

Marriage grant: The grant is equal to 36 monthly pension payments and is paid in two installments (the first on marriage, the second 2 years after).

Death grant: A lump sum equal to 100% of the national average wage is paid to the widow(er) or children of a pensioner.

Funeral grant: The cost of the burial up to a fixed amount.

Benefit adjustment: Benefits are adjusted automatically when the national average wage is updated, normally each January. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

Administrative Organization

Minister of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

Sickness and Maternity

Regulatory Framework

First and current laws: 1953 (national insurance), implemented in 1954, with 1976 (vacation pay for adopting parents), 1986 (birth allowance), 1990 (risk pregnancy benefit), and 1997 (maternity allowance for father) amendments; 1976 (sick pay in collective agreements, not under social security law); and 1995 (national health insurance).

Type of program: Social insurance system.

Coverage

Sickness benefits: All employees are covered under collective agreement. (Cash sickness benefits are not provided under the National Insurance Law.)

Maternity benefits: Employed persons, self-employed persons, and persons aged 18 or older undertaking vocational training.

Maternity grant: Insured women or the wife of the insured; nonresidents including employed and self-employed women and the wives of employed and self-employed men.

The nonresident woman or her husband must have been working in Israel for at least 6 months immediately preceding childbirth. The birth must occur in Israel.

Medical care: All residents.

Source of Funds

Insured person: 3.1% of earnings below, plus 4.8% of earnings above, one-half of the national average wage (medical care); 0.17% of earnings below, plus 0.68% of earnings above, one-half of the national average wage (maternity benefits). (Sickness benefits are not provided under the National Insurance Law.)

Self-employed person: 3.1% of income below, plus 4.8% of income above, one-half of the national average wage (medical care); 0.48% of income below, plus 0.75% of income above, one-half of the national average wage (maternity benefits). (Sickness benefits are not provided under the National Insurance Law.)

Employer: None for medical care; 0.18% of payroll for maternity benefits. (Sickness benefits are not provided under the National Insurance Law.)

Government: None for medical care; 0.10% of earnings for maternity benefits (and a reduced contribution for earnings

below one-half of the national average wage). (Sickness benefits are not provided under the National Insurance Law.)

The minimum earnings for contribution purposes are NS3,335 (equal to the minimum wage) for employees and NS1,741 (25% of the national average wage) for the self-employed.

The maximum earnings for contribution and benefit purposes for employers and employees are five times the national average wage.

The national average wage in January 2004 was NS6,964. (The value of the national average wage has been frozen since December 2001.)

Qualifying Conditions

Cash sickness benefit: Sickness benefits are not provided under the National Insurance Law.

Cash maternity benefits: Ten months of insurance in the last 14 months or 15 months in the last 22 months (for women with only 6 months of insurance in the last 14 months, partial benefit is payable).

A father with 10 months of insurance in the last 14 months or 15 months in the last 22 months may share the maternity leave period with his wife if his employer authorizes the leave period and his wife agrees to waive part of her leave and return to work.

Vacation pay for adopting parents: Cessation of work due to the adoption of a child under age 10 and 10 months of insurance in the last 14 months or 15 months in the last 22 months. An adopting father may take a period of at least 21 days of leave when the mother returns to work.

Risk pregnancy benefit: Cessation of work as a result of a risk to the pregnancy, in accordance with the medical authorization of a gynecologist. The benefit is payable with 10 months of insurance in the last 14 months or 15 months in the last 22 months and if not receiving a similar payment from any other source.

Maternity and hospitalization grant: For a birth for which hospitalization was necessary.

Multiple birth allowance: For the birth of three children or more, of which at least three survive past 30 days. The mother must be entitled to the maternity grant.

Hospital transportation costs: Provided for women who have to travel by ambulance to a hospital to give birth. If the total ambulance journey is more than 40 kilometers, the National Insurance Institute pays the cost of transportation beyond the first 20 kilometers, if the hospital is the one nearest to the woman's place of residence.

Special allowance and special benefit: For a mother who was insured for the maternity grant and who died while giving birth or within a year of giving birth.

Benefits are payable abroad under bilateral agreement.

Sickness and Maternity Benefits

Sickness benefit: Benefits are provided to employees under collective agreement; 75% of earnings for 90 days (up to 100% without limit if stipulated in a collective agreement).

Maternity allowance: 100% of the insured's average daily net income in the 3 months preceding the day on which the insured woman ceased work because of the pregnancy. The allowance is payable for 12 weeks; 6 weeks if only the lower contribution condition is satisfied.

Risk pregnancy grant: For every day of rest from work, a sum equal to the average wage divided by 30 or the insured woman's income in the 3 months preceding the day she stopped work divided by 90, whichever is lower.

Maternity grant (layette): A grant of NS1,354 for the first child, NS610 for the second child, and NS406 for a third or subsequent child (higher for multiple births) for the purchase of clothing and other necessities for a newborn child.

Hospitalization grant: A grant for the payment of hospitalization expenses.

Multiple birth allowance: An allowance payable for 20 months, calculated as a percentage of the national average wage and gradually reduced throughout the period of entitlement.

Hospital transportation costs: In certain cases, a fixed payment for the cost of transportation to the hospital.

Special allowance: 30% of the national average wage for a period of 24 months for each child of the last childbirth. The entitlement period is reduced to 12 months if the spouse is also receiving survivor or dependent benefits.

Special benefit: If the spouse stops working to care for the child(ren), a benefit is paid equal to the injury allowance (75% of earnings, up to a ceiling) for up to 12 weeks.

Benefit adjustment: Benefits are adjusted for cost-of-living increases paid to employees. Flat-rate benefits are adjusted periodically.

Workers' Medical Benefits

Services provided by doctors and hospitals owned and operated by, or under contract to, the sick fund. Benefits include general and specialist care, medicines, laboratory services, hospitalization, and rehabilitation.

Cost sharing: Patients pay a set sum of the cost of drugs and appliances, which varies according to the sick fund.

Dependents' Medical Benefits

Same as for the insured person.

Administrative Organization

Minister of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

Sickness insurance and medical care are administered by four funds under the supervision of the Ministry of Health (<http://www.health.gov.il>): Leumit (National) Sick Fund (<http://www.leumit.co.il>); Clalit (General) Sick Fund (<http://www.clalit.org.il>); Maccabi Sick Fund (<http://www.maccabi-health.co.il>); and Meuhedet (United) Sick Fund (<http://www.meuhedet.co.il>).

Work Injury

Regulatory Framework

First and current laws: 1953 (national insurance), implemented in 1954; and 1956 (work injury insurance for the self-employed), implemented in 1957.

Type of program: Social insurance system.

Coverage

Employees, self-employed persons, members of cooperatives, vocational trainees and those undergoing vocational rehabilitation, working prisoners, foreign residents working in Israel, migrant workers working in Israel, and, under certain conditions, Israelis working abroad.

Exclusions: Police, prison service, and defense employees.

Source of Funds

Insured person: None.

Self-employed person: 0.33% of earnings below, plus 0.53% of earnings above, one-half of the national average wage.

Employer: 0.64% of payroll.

Government: 0.17% of payroll and earnings (a reduced contribution rate is paid for earnings below one-half of the national average wage).

The minimum earnings for contribution purposes are NS3,335 (equal to the minimum wage) for employees and NS1,741 (25% of the national average wage) for the self-employed.

The maximum earnings for contribution purposes for employers and employees are five times the national average wage as of January 1 each year.

The national average wage in January 2004 was NS6,964. (The value of the national average wage has been frozen since December 2001.)

Qualifying Conditions

Work injury benefits

Temporary disability benefit (injury allowance): Work incapacity and absence from work due to a work injury or prescribed occupational disease. There is no minimum qualifying period.

Temporary disability pension: Payable to a worker recognized as disabled as a result of a work injury, with a temporary assessed degree of disability of 5% or more. There is no minimum qualifying period.

Permanent disability pension: Payable to a worker recognized as disabled as a result of a work injury, with a permanent assessed degree of disability of 20% or more. There is no minimum qualifying period.

Disability grant: Payable to an insured worker with a permanent degree of disability assessed at least at 5% but less than 20%. There is no minimum qualifying period.

Special pension and special grant: For an assessed degree of disability of 75% or more; 65% to 74% for those who have difficulty walking.

Survivor pension: Payable to a widow who is aged 40 or older; regardless of age with a dependent child or unable to support herself. Also payable to a widower who has a dependent child; regardless of dependent children if unable to support himself, or has income below a determined level.

Survivor grant: Payable to a widow who is not entitled to a survivor pension.

Death grant (due to work injury): Paid to the spouse and children if the deceased had received a disability pension for a degree of disability of 50% or more, was at the earnings-tested age for the old-age pension, or had received a dependent's allowance.

Death grant (not due to work injury): Paid to the spouse and children if the deceased had a degree of disability of 50% or more for at least 36 months before death and was receiving a work injury disability pension, throughout this period.

Temporary Disability Benefits

Temporary disability benefit (injury allowance): A daily allowance calculated on the basis of 75% of insurable earnings in the 3 months before the injury, up to a maximum.

The benefit is payable after a 2-day waiting period (no waiting period if work incapacity lasts at least 12 days), up to a maximum of 13 weeks. The allowance is paid by the National Insurance Institute, which is reimbursed by the employer for the first 9 days. Self-employed workers are not entitled to injury allowance for the first 9 days.

The injury allowance is reduced by 4%.

Benefit adjustment: Benefits are adjusted according to changes in the national average wage and employee cost-of-living adjustments. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

Permanent Disability Benefits

Permanent disability pension: 75% of the insured's earnings, if totally disabled. The assessed degree of disability for a total disability is 100%.

Partial disability: A monthly pension proportional to the insured's wages and degree of disability.

Income support: Low-income recipients of disability pensions may receive an income supplement.

Disability grant: Equal to 43 monthly pensions.

Benefit adjustment: Benefits are adjusted for changes in the national average wage and employee cost-of-living adjustments. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

Workers' Medical Benefits

The cost of medical treatment, hospitalization, medicines, appliances, transportation, convalescence, and rehabilitation is met by the sick funds.

Survivor Benefits

Survivor pension: The pension is equal to between 40% and 100% of the full pension that the insured would have been entitled to had he been 100% disabled, including supplements for children.

Survivor grant: Equal to 36 months' survivor pension.

Remarriage grant: A widow(er) who remarries receives a grant equal to 36 months' pension, paid in two installments (the first on marriage, the second 2 years later).

Orphan's pension: 20% of the insured's total disability pension for the first orphan and 10% each for the second and third. The pension is paid to the surviving spouse in addition to the survivor pension.

Full orphan's pension: 60% of the insured's total disability pension for the first orphan, 20% for the second, and 10% each for the third and fourth.

Other dependent relatives (in the absence of the above): 50% of the insured's total disability pension for one dependent, up to a maximum of 100% for four or more dependents.

Income support: Low-income recipients of disability pensions may receive an income supplement.

Death grant (due to work injury): 100% of the national average wage is paid as a lump sum.

Death grant (not due to work injury): 60% of the full individual disability pension, multiplied by 36. The grant is paid in two installments.

Funeral grant: On the death of the insured, the grant is paid to the organization responsible for the funeral service. The cost of the burial is paid up to a fixed amount.

Administrative Organization

Minister of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.

Unemployment

Regulatory Framework

First and current laws: 1970 (unemployment insurance) and 1973 (payments of benefits).

Type of program: Social insurance system.

Coverage

Israeli resident (or temporary resident), employed, and aged 18 or older but under the earnings-tested age for the old-age pension (men) or pensionable age (women); including a soldier within 1 year of demobilization from regular service.

Source of Funds

Insured person: 0.17% of earnings above, plus 0.04% of earnings below, one-half of the national average wage.

Self-employed person: Not applicable.

Employer: 0.04% of payroll.

Government: Contributes on behalf of its employees. 0.11% of payroll above, plus 0.07% of payroll below, one-half of the national average wage.

The minimum earnings for contribution purposes are NS3,335 (equal to the minimum wage) for employees and NS 1,741 (25% of the national average wage) for the self-employed.

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year for both employers and employees.

The national average wage in January 2004 was NS6,964. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

Qualifying Conditions

Unemployment benefit: Payable to unemployed persons from age 20 (under certain circumstances from age 18) to the earnings-tested pension age (men) or pensionable age (women), registered at the labor exchange, ready and able to perform any suitable work, and involuntarily unemployed.

Regular employee: 360 days of contributions out of 540 days.

Daily employee: 300 days of contributions out of 540 days.

No qualifying period for demobilized soldiers or for young women who completed a period of national service (for up to 1 year after completion).

Unemployment Benefits

A daily benefit of between 20% and 80% of the beneficiary's average daily wage during his or her last 75 workdays.

The maximum daily benefit is NS279 for the first 5-month period and NS186 for the second period (from the sixth month onward). The benefit is payable after a 5-day waiting period, in

each period of 4 consecutive months from the onset of unemployment.

The maximum duration of payment varies according to the category of beneficiary, from 50 to 175 days.

Benefit adjustment: Benefits are adjusted according to changes in the national average wage and employee cost-of-living adjustments. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

Administrative Organization

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Family Allowances

Regulatory Framework

First law: 1959.

Current laws: 1975 (children's insurance), 1984 (partially income tested), and 1993 (universality restored).

Type of program: Universal system.

Coverage

Residents with at least one child.

Source of Funds

Insured person: None.

Self-employed person: 1.88% of earnings above, plus 1.18% of earnings below, one-half of the national average wage.

Employer: 2.27% of payroll.

Government: 0.60% of earnings above, and reduced rates of 0.04% (employees) or 0.06% (self-employed persons) of earnings below, one-half of the national average wage, plus an amount equal to 160% of all receipts from insurance contributions.

The minimum earnings for contribution purposes are NS3,335 (equal to the minimum wage) for employees and NS1,741 (25% of the national average wage) for the self-employed.

The maximum earnings for contribution purposes are five times the national average wage as of January 1 each year for both employers and employees.

The national average wage in January 2004 was NS6,964. (The value of the national average wage (NS6,964) has been frozen since December 2001.)

Qualifying Conditions

Family allowances: Child must be under age 18 and living in Israel.

Family Allowance Benefits

Family allowances: NS120 a month for each of the first two children, NS164 for the third, NS404 for the fourth, and NS459 for the fifth and each subsequent child.

For children born on or after June 1, 2003, a uniform rate of NS120 per child will be paid regardless of the child's place in the family. For those born before that date, a gradual reduction will take place in the rates so that, by January 2009, the same rate will be payable for each child, regardless of his or her place in the family.

Benefit adjustment: Benefits are normally adjusted in January of every year according to the consumer price index and whenever a cost-of-living increment is paid to employees. (The value of the benefit has been frozen since December 2001.)

Administrative Organization

Minister of Social Affairs (<http://www.molsa.gov.il>) provides general supervision.

National Insurance Institute (<http://www.btl.gov.il>) administers the program, collects contributions, and pays benefits through its branch offices.