

NATIONAL INSURANCE LAW, 5714—1953\*

PRELIMINARY

Definitions.

1. (a) In this Law —

“benefit” means any benefit conferred by insurance under this Law ;  
“qualifying period” means a continuous period for which a person must have been insured in order to be entitled to a benefit ;

“employee” includes a family member, that is to say a parent, child, grandchild, brother or sister, even if no employer-employee relationship exists between him and the relative employing him, provided that he works in the undertaking regularly and in such work as, were it not done by him, would be done by an employee ;

“self-employed person” means a person carrying on his occupation by himself or with the members of his family and not employing other persons therein in excess of a number prescribed by regulations either generally or in respect of particular classes ;

“wife” includes a woman commonly reputed to be the wife of, and living with, the man in question.

(b) For the purposes of this Law —

(1) a member of a cooperative society who works in an undertaking of or on behalf of the society is regarded as an employee and the society is regarded as his employer ;

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\* Passed by the Knesset on the 11th Kislev, 5714 (18th November, 1953) and published in *Sefer Ha-Chukkim* No. 137 of the 20th Kislev, 5714 (27th November, 1953), p. 6; the Bill and an Explanatory Note were published in *Hatza'ot Chok* No. 98 of 5712, p. 64.

(2) every member of a cooperative group, whether or not it be a body corporate, is regarded as an employee of the person who has entrusted any work to the group, provided he would be so regarded if a direct relationship existed between him and that person.

2. (a) There is hereby established a National Insurance Institute (hereinafter: "the Institute"), which shall operate within the framework of the provisions of this Law and the regulations made thereunder.

The National  
Insurance  
Institute.

(b) The Institute is a body corporate and may enter into contracts, acquire, hold and transfer property and be a party to any legal or other proceeding.

(c) The Institute shall be under the general control of the Minister of Labour.

(d) The Institute shall be supervised by the State Comptroller under the terms of section 7 (g) of the State Comptroller Law, 5709—1949<sup>1)</sup>.

## PART ONE: OLD-AGE INSURANCE AND SURVIVORS' INSURANCE

### *Chapter One: General Provisions*

3. (a) An Israel resident who has attained the age of eighteen years is insured under this Law unless —

Insured  
persons.

(1) such resident first became a resident after the adoption of this Law by the Knesset and on the day of becoming a resident was — in the case of a male — sixty years of age or over or — in the case of a female — fifty-five years of age or over ;

(2) on the day of the adoption of this Law by the Knesset such resident had attained the age of sixty-seven years.

(b) Notwithstanding the provisions of subsection (a), a married woman who works only in her household is not insured under this Law; but the Institute may insure her on application, on conditions prescribed by regulations.

(c) A woman who is not an employee or a self-employed person and who, under section 2, 5 or 6 of the Second Schedule or section 2, 3, 5, 6 or 7 of the Sixth Schedule, is entitled to a pension is not insured under this Law ; but the Institute may insure her on application, on conditions prescribed by regulations.

(d) The Minister of Labour may determine by regulations classes of persons who, notwithstanding the provisions of subsection (a), are not insured under this Law, but whom the Institute may insure on application on conditions prescribed by regulations.

### *Chapter Two: Old-Age Insurance*

4. The following are dependants of an insured person for the purposes of this chapter :

Dependants.

(1) his wife, provided that —

(a) she has borne him a child or has been his wife for at least one year; and

(b) she has attained the age of 45 years or has with her a child of the insured person or is incapable of supporting herself; and

<sup>1)</sup> *Sefer Ha-Chukkim* No. 8 of 5709, p. 33 — *LSI* vol. III, p. 23; *Sefer Ha-Chukkim* No. 104 of 5712, p. 266 — *LSI* vol. VI, p. 78.

(c) she is mainly supported by the insured person, or the insured person owes her maintenance under a judgment of a competent court and she has no other source of income sufficient for her livelihood;

(2) his child, including a stepchild or adopted child and a grandchild wholly supported by the insured person, provided that such child —

(a) has not attained the age of fourteen years, or

(b) has attained the age of fourteen years, but has not attained the age of eighteen years and is a pupil at a school and his time is mainly devoted to study; or

(c) is incapable of supporting himself ;

a child as aforesaid is hereafter in this part and in the Second Schedule referred to as "child".

Qualifying  
age for old-age  
pension.

5. The qualifying age for old-age pension is —

(1) in the case of an insured person who has retired from all occupation — sixty-five years for a man and sixty years for a woman;

(2) in the case of an insured person who has been engaged in Israel in work declared by the Minister of Labour, by regulations, to be exhausting work, for a period determined by regulations in respect of such work, and who has retired as aforesaid — sixty-five years for a man and sixty years for a woman, less a number of months double the number of the years of his or her work as aforesaid, provided that the qualifying age for old-age pension shall not be below sixty-two years in the case of a man or fifty-seven years in the case of a woman;

(3) in the case of any other insured person — seventy years for a man and sixty-five years for a woman.

Old-age  
pension.

6. The Institute shall pay an insured person who has attained the qualifying age for old-age pension a monthly pension in accordance with the First Schedule.

Qualifying  
period.

7. The qualifying period for old-age pension is —

(1) in the case of an insured person who on the day of the adoption of this Law by the Knesset was over sixty years of age (in the case of a man) or over fifty-five years of age (in the case of a woman) — three years of insurance.

(2) in the case of any other insured person — five years of insurance.

Period of  
grace.

8. In respect of old-age insurance, the period of grace within the meaning of section 50 is —

(1) in the case of a person who has been insured for less than ten years — six months;

(2) in the case of a person who has been insured for more than ten but less than twenty years — twelve months;

(3) in the case of a person who has been insured for not less than twenty years — twenty-four months.

### *Chapter Three: Survivors' Insurance*

Pension or  
grant  
to widow and  
orphans.

9. (a) Where an insured person has died, the Institute shall pay a monthly pension or a grant in accordance with the Second Schedule.

(b) The provisions of this section shall not apply in the case of a person who died as a direct result of war operations.

10. (a) Where one of the following has died, namely —

Funeral  
grant.

- (1) an insured person;
- (2) the spouse of an insured person;
- (3) the widow of a person who died while insured ;
- (4) a child of an insured person, including a child who has attained the age of fourteen years but has not yet attained the age of nineteen years, even though his time may not have been mainly devoted to study,

the Institute shall pay a funeral grant, the amount and mode of payment of which shall be prescribed by regulations with the approval of the Finance Committee of the Knesset, to the local authority or public institution which dealt with the burial.

(b) The provisions of this section shall not apply in the case of a person who died as a direct result of war operations.

11. The qualifying period entitling to a benefit under sections 9 and 10 is one year.

Qualifying  
period.

12. In respect of survivors' insurance, the period of grace within the meaning of section 50 is —

Period of  
grace.

- (1) in the case of a person who has been insured for less than ten years — six months;
- (2) in the case of a person who has been insured for more than ten but less than twenty years — twelve months;
- (3) in the case of a person who has been insured for not less than twenty years — twenty-four months.

## PART TWO: EMPLOYMENT INJURIES INSURANCE

### *Chapter One: General Provisions*

13. In this part —

Definitions.

"employment injury", in relation to an insured person, means an accident which after the coming into force of this Law arose out of and in the course of his employment with or on behalf of his employer (hereinafter: "work accident") and a disease defined by regulations under section 15 as an occupational disease and contracted, while so defined, in consequence of his employment with or on behalf of his employer (hereinafter: "occupational disease").

14. (a) An accident is regarded as a work accident even if —

Work  
accident.

- (1) it occurred while the insured person was travelling from his home to work or from work to his home, except if he had interrupted the journey for a substantial period or had deviated from the ordinary route and the interruption or deviation was not intended for a purpose directly connected with the fulfilment of his duties towards his employer; or
- (2) it occurred in the course of the insured person's work, at or in the immediate vicinity of his place of work, while he was acting to save, or to avert damage or danger to, a person or property.

(b) An accident is not regarded as a work accident if it occurred while the insured person was acting otherwise than in accordance with a legal provision relating to his work, or otherwise than in accordance with directions given him

by his employer or a person who ordinarily gives him directions with regard to his work, except if as a result of the accident the insured person died or became incapacitated for his work and for suitable other work for not less than four weeks and the accident would have been regarded as a work accident had he not acted as aforesaid.

(c) An accident which occurred in the course of any employment is regarded, unless the contrary is proved, as having arisen out of such employment.

Occupational  
diseases.

15. (a) The Minister of Labour may, after consultation with the Minister of Health, define a particular disease by regulations, with effect from a particular date after the coming into force of this Law, as an occupational disease in respect of all or a particular class of persons insured thereunder if, in view of its character and causes, it is, in his opinion, to be regarded as an occupational hazard.

(b) The Minister of Labour may, after consultation with the Minister of Health, determine by regulations circumstances in which a particular disease shall, so long as the contrary is not proved, be presumed to have been contracted by an insured person in consequence of his employment.

(c) A person who first became incapacitated for his work as a result of a particular disease before it was defined as an occupational disease is deemed to have contracted it before it was so defined.

#### Chapter Two: Insured Persons

Insured  
persons.

16. (a) The following are insured persons under this part:

- (1) an employee, except a person casually employed otherwise than for purposes of the employer's business or occupation;
- (2) a person undergoing vocational training or vocational rehabilitation at a place or with a person approved in that behalf by regulations;
- (3) a member of the Red Shield of David in Israel, and a member of an organisation for first aid or for the prevention of damage to persons or property approved for the purposes of this section by the Minister of Labour by notice published in *Reshumot*;
- (4) a person employed under the Emergency Regulations (Mobilisation of Manpower), 5708—1948<sup>1</sup>;
- (5) a prisoner or detainee employed in work other than one of the services designated by regulations as ordinary services of the prison or place of detention;
- (6) a person detained in an establishment under the Juvenile Offenders Ordinance, 1937<sup>2</sup>, employed in work other than one of the services designated by regulations as ordinary services of such establishments.

(b) In the case of a person insured under any of the paragraphs (2) to (6) of subsection (a), the person designated by the Minister of Labour by regulations is deemed to be the employer.

Special  
provisions  
as to  
classes of  
insured  
persons.

17. The Minister of Labour may by regulations, either generally or in respect of particular classes, enact special provisions as to the insurance of the following, to have effect even if deviating from this Law:

- (1) persons employed in a watercraft;
- (2) persons employed in an aircraft;

1) I.R. No. 23 of 5708, Suppl. I, p. 62; LSI vol. I, p. 65.

2) P.G. No. 667 of 1937, p. 137 (English Edition).

- (3) employees resident in Israel and employed abroad, under a contract entered into in Israel, by an employer resident in Israel;
- (4) persons employed part-time, casually or from time to time at their own desire, whose livelihood does not depend principally on remuneration for work ;
- (5) persons insured under any of the paragraphs (2) to (6) of section 16 (a).

### *Chapter Three: Benefits*

#### 18. An employment injury entitles an insured person —

- (1) to medical attendance in accordance with the Third Schedule ; and
- (2) to convalescence facilities, medical rehabilitation and vocational rehabilitation to such extent and in such manner as may be prescribed by regulations and by directions of the Institute issued within the framework of the regulations, approved by the Minister of Labour and published in such manner as he may have directed.

Right to  
benefits in  
kind.

#### 19. (a) Medical attendance, convalescence facilities and medical rehabilitation shall be provided in one of the following ways or by a combination thereof:

Provision  
of benefits  
in kind.

- (1) through the health services of the State;
- (2) by the Institute with the approval of the Government;
- (3) through a body approved by the Minister of Labour, after consultation with the Minister of Health, as a medical service ;

(b) The Minister of Labour may, after consultation with the Minister of Health, prescribe by regulations conditions for the approval of a medical service.

(c) The Minister of Labour may, after consultation with the Minister of Health, enact by regulations provisions as to the supervision of an approved medical service.

(d) The Minister of Labour may, when approving a medical service, attach restrictions to the approval.

(e) The Minister of Labour may, after consultation with the Minister of Health, withdraw his approval of a medical service if he is satisfied —

- (1) that the conditions prescribed under subsection (b) are no longer fulfilled in respect thereof; or
- (2) that the medical service does not comply with the regulations made under this Law ; or
- (3) that the medical service infringes the restrictions attached to its approval.

(f) Vocational rehabilitation shall be provided by the Institute either directly or through the services of the State or through a body approved in that behalf by the Minister of Labour.

(g) The relations between the Institute and the agency through which benefits in kind under section 18 are provided, and their mutual obligations and rights, shall be determined by an agreement approved by the Minister of Labour in so far as he has not determined them by regulations.

#### 20. An insured person incapacitated for his work and for suitable other work as a result of an employment injury shall be paid by the Institute injury benefits in accordance with the Fourth Schedule.

Employment  
injury benefits.

Pension or grant to industrial invalids.

21. (a) Where, upon termination of the period of injury benefits under the Fourth Schedule, the insured person is found to be an invalid as a result of the employment injury, the Institute shall pay him a pension or grant in accordance with the Fifth Schedule.

(b) "Invalid" means a person whose working capacity has been impaired and who, as a result, is incapable of doing work which a person of his age and sex is normally capable of doing ; in determining whether a particular person is an invalid, a disfiguring defect may be taken into account.

Pension or grant to dependants of victims of employment injuries.

22. (a) Where an employment injury has caused the death of an injured person, the Institute shall pay his dependants a pension or grant in accordance with the Sixth Schedule.

(b) The following are dependants of an insured person for the purposes of this part :

(1) his wife at the time of his death, unless she had become his wife after the injury ;

(2) his child, including a stepchild, an adopted child, and a grandchild who was wholly supported by the insured person, provided —

(a) that he has not yet completed his eighteenth year ; or

(b) that he is incapable of supporting himself ;

(3) parents mainly supported by the insured person, and parents incapable of supporting themselves and whom the Institute approves as full or partial dependants because in its opinion justice requires its doing so ;

(4) a grandfather, grandmother, brother or sister who had been living at the house of the insured person for not less than twelve months prior to the injury, was wholly supported by him and is incapable of supporting himself or herself ;

(5) in the case of a female insured person, her husband at the time of her death, if he was wholly supported by her and is incapable of supporting himself — unless he had become her husband after the injury.

Reduction, deferment and denial of benefit.

23. The Institute may reduce, defer or deny a benefit under this part if the person claiming it —

(1) without sufficient excuse contravenes a direction of a physician authorised in that behalf by the Institute, intended to expedite his recovery, restore his working capacity or reduce his degree of invalidity ; or

(2) acts in a manner generally known to be likely to prevent or delay recovery or the restoration of working capacity in a case like his ; or

(3) contravenes directions issued under this Law in connection with his vocational rehabilitation.

Medical examinations, issue of confirmations and inspection.

24. (a) The Minister of Labour may enact by regulations provisions as to —

(1) medical examinations of an insured person claiming or in receipt of a benefit under this part ; but the insured person shall not be liable to any charge in respect of such examinations ;

(2) the duty of an employer, physician or insured person to give information as to an employment injury ;

(3) the mode of dealing with a person who does not fulfil a duty imposed on him under this section.

(b) A person authorised in that behalf by the Institute may enter at any reasonable time the house of an insured person who claims or has received a benefit under this part, for the purpose of investigating any matter connected with the receipt of the benefit.

25. (a) The Workmen's Compensation Ordinance, 1947<sup>1</sup>), is hereby repealed ; but its provisions shall continue to apply in respect of personal injury by accident arising out of and in the course of employment if the accident occurred before the coming into force of this Law, and in respect of any of the diseases specified in the Third Schedule to the said Ordinance if compensation in respect of that disease became first due under that Ordinance before the coming into force of this Law.

Repeal and transitional provisions.

(b) An employer who, before the coming into force of this Law, insured himself against liability under the Workmen's Compensation Ordinance, 1947, is not liable to pay contributions in respect of the time after the coming into force of this Law.

(c) The Minister of Labour may enact by regulations further provisions as to the contributions referred to in subsection (b).

(d) An employer who, before the coming into force of this Law, paid "parallel tax"<sup>2</sup>), at the rate of three per cent of the amount of the wages, to a competent medical institution within the meaning of section 3A (8) of the First Schedule to the Workmen's Compensation Ordinance, 1947, may, in respect of the time after the coming into force of this Law, reduce the "parallel tax" to an extent determined by agreement between the Institute and the competent medical institution concerned or, in the absence of such agreement, to an extent determined by the Minister of Labour by order.

### PART THREE : MATERNITY INSURANCE

26. "The estimated date of delivery" means the day determined as the estimated date of delivery by medical certificate given in accordance with directions issued by the Minister of Labour by regulations.

Definitions.

27. A woman insured under part one and the wife of a person insured under part one are insured persons under this part.

Insured persons.

28. An insured person who is an employee or a self-employed person shall be paid by the Institute maternity allowance in accordance with the Seventh Schedule.

Maternity allowance.

29. The Institute may deny the right to maternity allowance, wholly or in part, where —

Denial of right.

(1) within the time in respect of which maternity allowance is payable the insured person works otherwise than in her own household ; or

(2) within the six weeks preceding the estimated date of delivery the insured person works otherwise than in her own household on days on which a physician authorised by the Institute has forbidden her to work ; or

(3) the insured person does not comply with a direction of the Institute as to medical supervision in connection with pregnancy and delivery.

1) P.G. No. 1604 of 1947, Suppl. I, p. 186 (English Edition).

2) Employer's share — Tr.



Maternity  
grant.

30. (a) The insured person or, if she is no longer alive, her husband or the guardian of the child, as the case may be, is entitled to receive from the Institute a grant of the value of 55 pounds ; the grant shall be given to the insured person in respect of hospitalisation — if there has been such — and for the acquisition of equipment for the infant or in equipment for him in kind, as may be prescribed by regulations.

(b) The Minister of Labour may, with the approval of the Labour Affairs Committee of the Knesset, vary the amount referred to in subsection (a), having regard to fluctuations in wages.

(c) The Institute may make an agreement with the Red Shield of David in Israel as to the terms on which a person entitled to a maternity grant shall be transported to hospital in special cases.

Benefit to  
persons not  
insured.

31. The Institute may grant a benefit under this part to a person who is not insured if she would have been insured had she completed her eighteenth year.

Definitions.

#### PART FOUR : MONEYS

32. In this part —

“period of payment” means the period on the basis of which contributions are payable;

“date of payment” means the date for the payment of a contribution under the provisions of this part.

Contribution  
of insured  
person other  
than an  
employee or  
self-employed  
person.

33. The monthly contribution in the case of an insured person other than an employee or a self-employed person — whether or not such insured person is insured also under part three — is the twelfth part of 2.9 per cent of his income, and he is liable to pay it ; however, a person insured only under part three, by virtue of being the wife of an insured person, is not liable to the contribution.

Calculation  
of income of  
insured  
person  
other than an  
employee or  
self-employed  
person.

34. (a) For the purposes of section 33, there shall be regarded as the income of an insured person his chargeable income under the Income Tax Ordinance, 1947<sup>1)</sup>, in the financial year preceding the period of payment ; provided that such amount of his income as aforesaid as is in excess of 2880 pounds shall not be included in calculating his income.

(b) An insured person whose income as specified in subsection (a) is less than 300 pounds shall pay contributions as if his income were 300 pounds.

Contribution  
of self-  
employed  
person.

35. The total amount of the monthly contribution in the case of a self-employed person, whether or not such person is insured also under part three, is the twelfth part of 3.3 per cent of his income, and he is liable to pay it.

Calculation of  
income of  
self-employed  
person.

36. (a) For the purposes of section 35, there shall be regarded as the income of a self-employed person his chargeable income under section 5 (1) (a) and section 5 (1) (b) of the Income Tax Ordinance, 1947, in the financial year preceding the financial year in which the date of payment falls ; provided that such amount of his income as is in excess of 2880 pounds shall not be included in calculating his income.

(b) A self-employed person whose income as aforesaid is less than 600 pounds shall pay contributions as if his income were 600 pounds.

1) P.G. No. 1568 of 1947, Suppl. I, p. 93 (English Edition).

37. The contribution payable in the case of an employee, whether or not such employee is insured also under part three, is 3.3 per cent of his income, in addition to the contribution payable under section 38.

Old-age, survivors' and maternity insurance contribution in respect of an employee.

38. (a) The contribution for insurance against employment injuries is between 0.5 per cent and 3 per cent of the income of the insured person ; its exact rate shall be prescribed by the Minister of Labour by regulations, and he may take into account the degree of risk prevailing in different kinds of undertakings, vocations and work, and the rate of employment injuries.

Contribution for employment injuries insurance.

(b) The Minister of Labour may prescribe by regulations that an employer approved by him in that behalf shall pay such reduced premium as may be prescribed by such regulations if —

(1) he employs not less than 500 employees ; and

(2) he is bound by law, collective agreement or contract of employment to give the employees pay for the time in respect of which injury benefits are payable under section 20, and the total amount of such pay (hereinafter: "injury benefit equivalent") is not less than the injury benefits.

39. (a) For the purposes of sections 37 and 38, there shall be regarded as the income of an insured person —

Calculation of income of an employee.

(1) if he is not a member of a cooperative society who works in an undertaking of the society — his pay chargeable with income tax under section 5 (1) (b) of the Income Tax Ordinance, 1947, for the month preceding the first of the month in which the date of payment falls ;

(2) if he is a member of a cooperative society who works in an undertaking of the society — his income as assessed under provisions enacted by the Minister of Labour by regulations ;

(3) if he is a family member who works in an undertaking of a relative as specified in section 1 — the amount which would be regarded as the income of the person whose place he fills ;

provided that an amount of income in excess of 240 pounds in respect of a month or 2880 pounds in respect of a year shall not be taken into account.

(b) In the case of an insured person whose income as aforesaid is less than 40 pounds in respect of a month or 480 pounds in respect of a year, contributions shall be paid as if his income were 40 pounds in respect of a month or 480 pounds in respect of a year.

(c) The Minister of Labour may enact supplementary provisions as to calculating income for the purposes of sections 37 and 38.

40. (a) An employer shall pay the contributions in respect of his employee.

Person liable to pay the contributions of an employee.

(b) Where a contribution is paid under section 37, the employer may deduct from the pay of the employee 1.4 per cent of the income in accordance with which the contribution is paid.

(c) Where an insured person works with several employers, each of them shall pay the contributions as if he were the only employer.

41. If the employer liable to pay the contributions in respect of an employee has not paid them, then, for the purposes of the right to a benefit, the contributions shall be deemed to have been paid ; however, if the employer has not deducted the contributions from the pay of the employee payable in money, in

Non-payment of contributions and right to benefit.

accordance with section 40 (b), but has paid the employee, with the latter's consent, the full pay, the contributions shall not be deemed to have been paid.

Allocations  
to the  
Institute from  
the Treasury.

42. (a) The Treasury shall allocate to the Institute, in respect of every financial year, an amount equal to —

(1) 10 per cent of the income of the Institute from old-age and survivors' insurance contributions in that financial year ; plus

(2) 45 per cent of the income of the Institute from maternity insurance contributions in that financial year ;

provided that the total amount of the allocation under this subsection shall not exceed the amount fixed for this purpose in the Budget Law for that financial year ; however, if it appears that the amount fixed in the Budget Law is less than the allocation of the Treasury under this subsection, the Finance Committee of the Knesset may, upon the proposal of the Minister of Labour and after consultation with the Minister of Finance, adjust the amount fixed in the Budget Law to the allocation of the Treasury under this subsection.

(b) The mode of payment of the allocation under subsection (a) shall be determined by an agreement between the Institute and the Minister of Labour, approved by the Minister of Finance.

(c) The Minister of Labour shall determine by notice published in *Reshumot*, after consultation with the Minister of Finance and with the approval of the Finance Committee of the Knesset, the financial year as from which the allocation of the Treasury under this section shall be paid. As from the financial year so determined, the rate of the contribution under section 33 shall be 2.7 per cent instead of 2.9 per cent, the rate of the contributions under sections 35 and 37 shall be 3.1 per cent instead of 3.3 per cent, and the percentage of the pay of an insured person which an employer may deduct under section 40 (b) shall be 1.3 instead of 1.4.

Personal  
deductions  
in calculating  
income.

43. In calculating the income of a person for the purposes of this chapter, the deductions allowed under sections 14 and 15 (b) of the Income Tax Ordinance, 1947, shall not be taken into account.

Assessment  
Committee.

44. (a) At every branch office of the Institute, there shall be established an Assessment Committee, to whose decision shall be referred any dispute over the determination of the income according to which contributions are payable.

(b) The members of an Assessment Committee shall be appointed by the Council.

(c) An Assessment Committee shall, at any sitting, consist of three members ; the manager of the branch office at which an Assessment Committee is established shall determine the order of rotation in which the members of the Assessment Committee shall serve.

(d) An Assessment Committee shall prescribe the procedure before it in so far it has not been prescribed by regulations, and it shall not be subject to rules of evidence, but shall weigh at its discretion the proofs brought before it ; however, a final assessment of income for the purposes of the Income Tax Ordinance, 1947, shall bind the Committee.

(e) A decision of an Assessment Committee on a question of fact shall be final.

Variation of  
rate of  
contributions.

45. (a) The Minister of Labour may, with the approval of the Finance Committee of the Knesset, vary by order the rate of the contributions prescribed by

this part, and the maximum or minimum amount of income according to which contributions shall be payable.

(b) Where the rate of the contribution has been varied under subsection (a), the Minister of Labour may, with the approval of the Finance Committee of the Knesset and the consent of the Minister of Finance, vary the rate of the allocations of the Treasury to the Institute under this part.

(c) Where the rate of the contributions has been varied under subsection (a), the rate of the deduction which an employer, under section 40, may make from the pay of an employee in respect of the contributions, and the rate of the deduction of the employer's contribution to a provident fund or pension fund under section 57, shall be varied proportionately in the same manner.

46. Contributions under section 33, 35 or 37 shall not be payable in respect of the time for which an old-age pension is due to the insured person.

Exemption  
from  
payment of  
contributions.

47. Every period of payment terminates at the end of the month unless the Minister of Labour, by regulations, has prescribed different limits for a period of payment in respect of all or a particular class of insured persons.

Limit of  
period of  
payment.

48. The date of payment of the contribution is: in the case of an employee — the fifteenth day of the month following the period of payment, and in the case of any other insured person — the fifteenth day of the month of the period of payment or such other date as the Minister of Labour may have prescribed by regulations.

Date of  
payment.

49. (a) Where an employer has not paid the contribution for a particular employee at the date of payment, and after the date of payment, but before payment of the arrears, an event occurs which entitles the employee to a benefit, the Institute may claim from the employer an amount equal to the benefits in money paid or to be paid by the Institute, and the monetary equivalent of benefits in kind given to the person entitled to the benefit, in connection with that event.

Non-payment  
of contri-  
bution—re-  
sponsibility  
of employer.

(b) The Minister of Labour may, by regulations, enact provisions as to the capitalisation of pensions, and the calculation of the monetary value of benefits in kind, for the purposes of this section.

50. Where a contribution has not been paid at the date of payment, and the delay lasts for a period equal to the period of grace allowed for the branch of insurance concerned, and upon termination of that period an event occurs which entitles the insured person to a benefit, no benefit shall be given.

Denial of  
right to  
benefit by  
reason of  
delay.

51. (a) Where a contribution has not been paid at the date of payment, the Institute may warn the person liable to payment in such manner as the Minister of Labour may direct, and if the arrears are not paid within the time fixed in the warning, the Institute may increase by twenty per cent the contribution in the payment of which the delay occurred.

Increase of  
contribution  
by reason  
of delay.

(b) Where, in the opinion of the Institute, a person is constantly in arrears with the payment of contributions due from him, the Institute may warn him, and if, having been warned, he continues to be in arrears, the Institute may, after two weeks' advance notice, increase by fifty per cent the contributions in the payment of which the delay occurred.

52. So long as there are arrears, every payment in respect of a contribution shall be placed to their account, in accordance with their chronological order.

Priority  
for payment  
of arrears.

Provisions to facilitate collection of contributions.

53. (a) The Taxes (Collection) Ordinance<sup>1</sup>), except section 12 thereof, shall apply to contributions as if they were a tax within the meaning of that Ordinance.

(b) The Minister of Labour may appoint a person to have the powers of a district officer under the said Ordinance and to carry out, for the purposes of this section, the functions assigned to a district officer by that Ordinance.

(c) For the purposes of collecting debts the payment of which, according to the Bankruptcy Ordinance, 1936<sup>2</sup>), or the Companies Ordinance<sup>3</sup>), has priority over the payment of all other debts, contributions shall be deemed to be a tax due to the Treasury.

Method of collection.

54. The Minister of Labour may enact by regulations provisions as to the method of collecting contributions.

Inspection.

55. A person authorised in that behalf by the Institute may enter, at any reasonable time, any place in which he has reason to believe that an employee is employed, and may at the same time require the production to him of any register or other document relating to the persons employed in that place, and examine any person as to any matter relating to this Law ; provided that no person shall be required to give an answer or evidence likely to incriminate him.

Crediting of contribution to branches of insurance.

56. Every amount paid to the Institute as a contribution shall be credited to the accounts of the various branches of insurance in accordance with the table set out in the Ninth Schedule, and where a contribution has not been paid in full, proportionate amounts shall be credited to the accounts of those branches. Where the rate of the contribution has been varied under section 45, the Minister of Labour may, in the same manner, vary the table set out in the Ninth Schedule.

Provident fund.

57. Where amounts are payable to a provident fund or pension fund by virtue of an agreement made before the coming into force of this Law, the employer may reduce his payments to such fund by 1.5 per cent of the amount of the income according to which contributions in respect of a particular employee are payable, and the employee may reduce his payments to the fund by 1 per cent of such amount.

Exemption from stamp duty.

58. The Institute is exempt from stamp duty.

The State as employer.

59. For the purposes of this part, the State as an employer shall be treated like any other employer.

#### PART FIVE: MISCELLANEOUS

Registration.

60. The Minister of Labour may by regulations enact provisions as to the registration of insured persons with the Institute and changes in the particulars of registration.

Insured person not registered.

61. (a) Where an insured person has not been registered in accordance with the provisions as to registration applying to him, the contribution in respect of the period in which he is not registered as aforesaid shall be whichever is the larger of the following amounts :

<sup>1</sup>) *Laws of Palestine* vol. II, cap. 137, p. 1399 (English Edition).

<sup>2</sup>) P.G. No. 566 of the 24th January, 1936, Suppl. I. p. 21 (English Edition).

<sup>3</sup>) *Laws of Palestine* vol. I, cap. 22, p. 161 (English Edition).

- (1) an amount equal to the contribution under part four, with an addition of 9 per cent per annum for the time which elapses from the date of payment to the day of the actual payment of the contribution ;
- (2) an amount bearing to the contribution under part four the same proportion as the high-cost-of-living index on the day of the actual payment of the contribution bears to the high-cost-of-living index at the date of payment; the index shall be calculated, *mutatis mutandis*, according to the rules set out in the Eighth Schedule.

(b) This section shall not apply if the insured person proves that the non-registration is due to a circumstance not dependent on the will of the person bound to effect the registration.

**62.** (a) The Minister of Labour may enact by regulations special provisions as to the insurance of a national of a state whose laws discriminate against Israel residents in branches of insurance dealt with by this Law.

Insurance of foreign nationals.

(b) Where an agreement has been made between the Government of Israel and a foreign state, providing for reciprocity as to branches of national insurance dealt with by this Law, the Minister of Labour may make regulations for the implementation of the agreement even if they involve a deviation from the provisions of this Law.

**63.** The Minister of Labour may enact by regulations special provisions as to the insurance of persons serving in the Defence Army of Israel — except in reserve service — and of their dependants.

Insurance of persons in military service.

**64.** (a) No additional pension shall be paid by the right of a person in receipt of a pension, and no pension shall be paid to two or more persons by the right of one person.

Prevention of double benefit.

(b) Save in so far as the contrary intention appears, no person shall be given several pensions for one period of time, or several benefits in consequence of one event, in respect of different branches of insurance under this Law.

(c) A person who, but for the provisions of this section, would be entitled to more than one benefit, may opt for any one of the benefits in question.

(d) A person entitled to a pension under this Law and to a pension under the Invalids (Pensions and Rehabilitation) Law, 5709—1949<sup>1</sup>, or the Fallen Soldiers' Families (Pensions and Rehabilitation) Law, 5710—1950<sup>2</sup>, may opt for any one of them.

(e) A person who, in consequence of one event, is entitled to a benefit under this Law and to a pension, gratuity or grant under the Invalids (Pensions and Rehabilitation) Law, 5709—1949, or the Fallen Soldiers' Families (Pensions and Rehabilitation) Law, 5710—1950, may opt for any one of them.

(f) For the purposes of subsections (a), (b) and (c), employment injury benefits and a maternity allowance shall be deemed to be a pension.

**65.** (a) Where an event entitling to a benefit occurs in the course of the commission or attempted commission of a felony by the person entitled to that benefit, or as a result of or in connection with such commission or attempted commission, the benefit shall not be given.

Denial of right to benefit.

<sup>1</sup> *Sefer Ha-Chukkim* No. 25 of the 21st Elul, 5709 (15th September, 1949), p. 278. *LSI* vol. III, p. 119.

<sup>2</sup> *Sefer Ha-Chukkim* No. 52 of the 7th Av, 5710 (21st July, 1950), p. 162; *LSI* vol. IV, p. 115.

(b) Where a person attempts to obtain a benefit by fraud, the benefit to which he is entitled shall be reduced by 25 per cent.

Application of benefit.

66. (a) A person who receives a benefit under this Law for another person shall use it to the advantage of that person.

(b) Where a guardian of the person entitled to a benefit, or the person for whose advantage the whole or a part of a benefit is given, or his guardian, or the local authority of his place of residence, or the Institute, considers that the giving of the whole or a part of the benefit into the hands of the person entitled to it is not to his advantage or to the advantage of the person for whom or by whose right it is given, he or it may request the National Insurance Tribunal to direct that the benefit be given into the hands of a person appointed by the Tribunal in that behalf; and if the Tribunal is satisfied that the request is well founded, it may grant it and may direct the appointee as to the use of the benefit to the advantage of the person entitled or the person for whom or by whose right it is given.

Suspension of pension payments.

67. (a) Where a person is imprisoned under a judgment of a competent court, which sentenced him to imprisonment for a term of three months or more, no pension shall be paid him in respect of the time that he is imprisoned; but the Institute shall pay the whole or a part of the pension to the dependants of the prisoner.

(b) Where a person is abroad for more than six months, no pension shall be paid him for the time in excess of the first six months unless he is abroad with the approval of the Institute or in accordance with regulations<sup>1</sup>; but the Institute may pay the whole or a part of the pension to his dependants.

Transfer of right and set-off.

68. (a) A right to a monetary benefit cannot be transferred, pledged or attached in any manner whatsoever, except for the payment of maintenance due from the person entitled to the benefit under a judgment of a competent court.

(b) Claims for the following only may be set off by the Institute against monetary benefits due from it:

(1) contributions, except contributions payable by the employer of the insured person;

(2) advances which the person entitled to a benefit has received from the Institute on account of benefits;

(3) amounts which the Institute has erroneously or improperly paid to the person entitled to a benefit and which such person is not bound to refund.

Refund of benefits.

69. Where the Institute has paid a monetary benefit erroneously or improperly, the following provisions shall apply:

(1) the Institute may deduct the amounts paid as aforesaid from any payment due from it, either at one time or in instalments, as it may think fit, having regard to the situation of the recipient of the payment and to the circumstances of the case;

(2) the Institute may claim the refund of any amount paid by it erroneously or improperly if the recipient of the payment did not act in good faith in receiving it.

Claims against third party.

70. (a) If the event which requires the Institute to pay a benefit under this Law is also a ground for requiring a third party to pay compensation to the same

person under the Civil Wrongs Ordinance, 1944<sup>1)</sup>, the Institute may claim from such third party compensation for the benefit paid or to be paid by it.

(b) The person entitled to a benefit under this Law shall extend every assistance and take every reasonable step to enable the Institute to realise its right under this section, and shall do no act likely to prejudice or prevent the realisation of such right. If the person entitled to a benefit infringes a prohibition or fails to fulfil a duty imposed by this section, the Institute may deny him the right to the whole or a part of the benefit.

(c) For the purposes of this section, the Minister of Labour may enact by regulations provisions as to the capitalisation of pensions.

(d) Where the person entitled to a benefit has received from a third party a payment on account of compensation as aforesaid, the Institute may set off such payment against the benefit due to him.

(e) For the purposes of section 65 of the Civil Wrongs Ordinance, 1944, a benefit shall be regarded as a right arising from a contract.

71. The Minister of Labour may enact by regulations provisions as to —

(1) the mode of payment of grants ;

(2) the mode of payment of pensions, maternity allowances and injury benefits.

Mode of  
payment of  
benefits.

72. In calculating the qualifying period entitling to a pension, a fraction of a month amounting to fifteen days shall be deemed to be a whole month.

Calculation  
of times.

## PART SIX : THE INSTITUTE

### *Chapter One : Authorities of the Institute*

73. The authorities of the Institute are :

(1) the Council of the Institute ;

(2) the Board of the Institute.

Authorities  
of the  
Institute.

74. (a) The supreme authority of the Institute is the Council of the Institute (hereinafter : "the Council"), the composition, mode of establishment and conditions of terminating membership of which shall be prescribed by regulations after consultation with the Labour Affairs Committee of the Knesset.

The Council  
of the  
Institute.

(b) The term of office of the Council is four years.

(c) The first Council shall be appointed by the Minister of Labour after consultation with the Labour Affairs Committee of the Knesset, and notice of the appointment shall be published in *Reshumot*.

75. The Council —

(1) shall supervise the activities and management of the Institute ;

(2) shall advise the Minister of Labour as to regulations proposed to be made by him, except regulations under section 74 (a) ;

(3) may recommend to the Minister of Labour the making of regulations ;

(4) shall carry out any other function assigned to it by this Law.

Functions of  
the Council.

76. (a) The Council may appoint committees, from among its members or otherwise, and delegate powers to them.

Committees of  
the Council.

<sup>1)</sup> P.G. No. 1380 of the 28th December, 1936, Suppl. I, p. 129.



(b) The Council shall appoint a committee for each of the branches of insurance existing under this Law to advise the director of the branch, who shall be the chairman of the committee.

Chairman and  
vice-chairman  
of the  
Council.

77. The Minister of Labour shall be the chairman of the Council. The Council shall elect a vice-chairman.

Procedure.

78. The Council shall itself prescribe the procedure for its deliberations and work, in so far as it has not been prescribed by regulations.

The Board.

79. (a) The managing and executive authority of the Institute is the Board of the Institute (hereinafter: "the Board").

(b) The members of the Board shall be the Director of the Institute, his deputy — if a deputy has been appointed — and the directors of the branches of insurance which are the subject of this Law or of any other law insurance under which is effected by the Institute.

(c) The Director of the Institute shall be the chairman of the Board.

### *Chapter Two: The Staff of the Institute*

Director and  
Deputy  
Director.

80. The Minister of Labour shall, after consultation with the Council, appoint the Director of the Institute, to whose authority the employees of the Institute shall be subject, and he may, in the same manner, appoint a Deputy Director of the Institute.

Directors  
of branches  
of insurance.

81. The Minister of Labour shall, after consultation with the Director of the Institute, appoint a director for each of the branches of insurance which are the subject of this Law.

Other  
employees.

82. (a) Within the framework of the establishment approved by the Minister of Labour, the Board of the Institute shall appoint the other employees of the Institute and shall determine their functions and powers, except for the actuary of the Institute, who shall be appointed in accordance with section 91, and the managers of the branch offices, who shall be appointed in accordance with section 84.

(b) The appointment of employees of the Institute under this section shall, *mutatis mutandis*, be governed by the rules prescribed for the appointment of State employees, and the terms of employment of employees of the Institute shall be the same as those of State employees.

An employee  
of the  
Institute — a  
public  
servant.

83. For the purposes of the Criminal Code Ordinance, 1936<sup>1)</sup>, an employee of the Institute shall be regarded as a person employed in public service and in a public function, and for the purposes of the Penal Law Revision (Bribery) Law, 5712—1952<sup>2)</sup>, an employee of the Institute shall be regarded as a person performing a function on behalf of the State.

Branch  
offices.

84. The Minister of Labour may, by regulations, enact provisions as to opening branch offices of the Institute and as to determining their scope of activity and power and the appointment of their managers.

1) P.G. No. 652 of the 14th December, 1936, Suppl. I, p. 285 (English Edition).

2) *Sefer Ha-Chukkim* No. 92 of the 9th Adar, 5712 (6th March, 1952), p. 126; LS. vol. VI, p. 32.

### *Chapter Three: Budget and Economic Management*

85. (a) The Board shall, by a date prescribed by the Council, prepare a proposal for the annual budget of the Institute, and shall submit it to the Council. Budget proposal.
- (b) The Council shall consider the budget proposal and shall forward it, with its observations and recommendations, to the Minister of Labour for approval.
86. The Minister of Labour may, after discussing the matter with the Board, approve the budget as proposed or with such changes as he may think fit; the approved budget shall be signed by the Minister of Labour and the Director of the Institute and published in such manner as the Minister may direct. Approval of budget.
87. (a) The Board is responsible for the regular and efficient keeping of the accounts of the Institute. Keeping of accounts.
- (b) A separate account shall be kept for each branch of insurance, and no item, whether credit or debit, shall be transferred from the account of one branch to the account of another save with the consent of the Council and the approval of the Minister of Labour. General expenses, and joint expenses of the various branches of insurance, shall be apportioned among the accounts of the branches according to rules recommended by the Council after obtaining the opinion of the actuary of the Institute and with the approval of the Minister of Labour.
- (c) Within three months from the expiration of a financial year, the Board of the Institute shall submit to the Council and the Minister of Labour a balance-sheet and financial report accompanied by a report of the actuary of the Institute.
- (d) The balance-sheet and financial report shall be published in such manner as the Minister of Labour may direct.
- (e) The financial year of the Institute coincides with the financial year of the State.
88. Moneys of the Institute not destined to cover current expenditure and liabilities shall be applied by the Board to constructive investments in accordance with recommendations of the Council approved by the Minister of Labour and within the framework of the investments permitted to the Institute under regulations — if any — made by the Minister of Labour with the consent of the Minister of Finance. Investments.
89. The Board may, with the approval of the Minister of Labour, accept loans on behalf of the Institute, with or without a charge on property as security for their repayment. Loans.
90. Any acquisition of immovables by the Institute for its own purposes shall be effected by the Board under a decision of the Council approved by the Minister of Labour. Property.
91. (a) The Minister of Labour shall, in consultation with the Council, appoint the actuary of the Institute. The actuary.
- (b) In addition to the actuarial report accompanying the annual financial report in accordance with section 87 (c), the actuary of the Institute shall submit to the Minister of Finance and the Council a full actuarial report upon the expiration of three years from the coming into force of this Law and thereafter upon the expiration of every three financial years.

(c) The actuary is not subject to directions as to his professional activity, and the Board shall extend to him any assistance that he may require in carrying out his professional duties.

Furnishing of documents.

92. (a) The Board shall submit to the Minister of Labour any report, certificate or register that he may demand.

(b) The State Comptroller shall submit a copy of his report on the activities of the Institute to the Minister of Labour and the Council as well as to those to whom a copy of that report is to be submitted under section 11A of the State Comptroller Law, 5709—1949<sup>1</sup>.

#### *Chapter Four: Claims*

Filing of claims.

93. The Minister of Labour shall enact by regulations provisions as to the filing of a claim for a benefit and the modes of establishing it.

Time for filing of claims.

94. Any claim for a monetary benefit shall be filed within twelve months from the day on which the ground for the claim arose ; but the Institute may grant a benefit claimed after that time.

Decision of Institute on claims.

95. (a) Any claim for a benefit filed with the Institute shall be considered by an employee of the Institute authorised in that behalf by the Board, and he shall decide whether and to what extent the benefit shall be granted.

(b) The Institute shall, by instructions to its employees, determine the matters which an employee as referred to in subsection (a) may decide on his own authority and those in which he shall require the approval of his superiors.

Claims Committees.

96. With every branch office of the Institute, there shall be established a Claims Committee, to which an employee as referred to in section 95 (a) may refer any claim for opinion, and shall refer any claim on which he has decided if the claimant so demands.

Composition of Claims Committee.

97. (a) The members of a Claims Committee shall be appointed by the Council

(b) The Claims Committee shall, whenever acting, consist of three members, but the validity of its acts shall not be affected by the absence of one of them.

(c) The manager of the branch office of the Institute with which a particular Claims Committee has been established shall determine the order of rotation in which its members shall serve.

#### *Chapter Five: The National Insurance Tribunal*

Establishment of Tribunal.

98. There shall be established a National Insurance Tribunal (hereinafter "the Tribunal"), comprising Local Tribunals and an Appeals Tribunal.

Appointment of Local Tribunal.

99. (a) Those appointed to be members of a Local Tribunal shall be Magistrates or persons qualified by law to be appointed as Magistrates (hereinafter "professional judges") and representatives of the public.

(b) Professional judges on a Local Tribunal shall be appointed by the Minister of Justice after consultation with the Minister of Labour ; represent

<sup>1</sup> *Sefer Ha-Chukkim* No. 8 of the 28th Iyar, 5709 (24th May, 1949), p. 33 — *LSI* v. III, p. 23; *Sefer Ha-Chukkim* No. 104 of the 14th Av, 5712 (5th August, 1951), p. 266 — *LSI* vol. VI, p. 78.

tives of the public on a Local Tribunal shall be appointed by the Minister of Justice upon the recommendation of the Minister of Labour, made after consultation with the Council.

(c) The professional judge shall be the chairman of the Tribunal.

(d) Notice of the appointment shall be published in *Reshumot*.

100. (a) A local Tribunal shall, at any sitting, consist of three members, viz. one professional judge and two representatives of the public.

Composition  
of Local  
Tribunal.

(b) The chairman of the Local Tribunal or, where there is more than one chairman, the oldest chairman shall determine the order of rotation in which the members of a Local Tribunal who are representatives of the public shall serve.

101. (a) Those appointed to be members of the Appeals Tribunal shall be District Court Judges or persons qualified by law to be appointed as District Court Judges.

Appointment  
of Appeals  
Tribunal.

(b) The members of the Appeals Tribunal shall be appointed by the Minister of Justice after consultation with the Minister of Labour.

(c) The chairman of the Appeals Tribunal shall be a District Court Judge or a person specially appointed to be chairman of the Appeals Tribunal.

(d) Notice of the appointments shall be published in *Reshumot*.

102. (a) The Appeals Tribunal shall, at any sitting, consist of three members.

Composition  
of Appeals  
Tribunal.

(b) The chairman of the Appeals Tribunal or, if the Appeals Tribunal has more than one chairman, the oldest chairman, shall determine which of the other judges shall serve.

103. The Minister of Justice shall, with the consent of the Minister of Labour, establish by order the Local Tribunals and determine, by the same order, the area of jurisdiction of each of them ; the area of jurisdiction of the Appeals Tribunal is the whole of the area in which the law of the State of Israel applies.

Area of  
jurisdiction.

104. A Local Tribunal shall have exclusive competence to consider and determine any claim —

Competence  
of Tribunal.

(1) of a person entitled to a benefit, or a person into whose hands a benefit has been given, who alleges that his right has been denied him or that a claim filed by him under chapter four of this part has not been decided upon within the time prescribed by regulations ;

(2) of the Institute against an insured person, a former insured person or any person from whom payment of a contribution is claimed, or against an employer under section 49 ;

(3) of an insured person, a former insured person, a person from whom payment of a contribution is claimed, or a person who alleges that he is insured, against the Institute in any matter relating to insurance under this Law ;

(4) of an insured person against an employer for payment of the equivalent of injury benefits ;

(5) between the Institute and an approved medical service in any matter arising from the agreement between them or from regulations under section 19 (g).

105. (a) The following may be parties before the Tribunal : —

Parties.

- (1) a person entitled to a benefit or a person into whose hands a benefit is given ;
- (2) the Institute ;
- (3) an insured person, a former insured person, a person from whom payment of a contribution is claimed or a person who alleges that he is insured, as the case may be ;
- (4) an employer ;
- (5) an approved medical service.

(b) Any defendant may ask that any of those enumerated in subsection (a) be joined to the case as a party.

**Judgment.**

**106.** (a) The Tribunal shall take its decisions unanimously or by a majority of votes ; if all three members of the Tribunal disagree as to the judgment, the view of the chairman shall prevail.

(b) A final judgment of a Local Tribunal shall, as to any matter relating to execution, have the effect of a final judgment of a Magistrates' Court in a civil case, and a judgment of the Appeals Tribunal shall, for all intents and purposes, have the effect of a judgment of the Supreme Court sitting as a Court of Appeal.

**Right of appeal.**

**107.** A judgment of a Local Tribunal is appealable to the Appeals Tribunal on a point of law.

**Procedures.**

**108.** (a) The Appeals Tribunal and a Local Tribunal shall themselves prescribe the rules for the procedure before them in so far as they are not prescribed by this Law or by regulations made thereunder ; the Minister of Justice may prescribe rules for the procedure before the Tribunal by regulations.

(b) Subject to the provisions of subsection (a), the Tribunal shall not be bound by the rules of procedure applying in the courts of law, but shall act in such manner as seems to it most expedient for a speedy decision of the real issues before it and for giving the benefit due without delay.

(c) The Tribunal shall not be bound by rules of evidence, but shall weigh at its discretion the evidence brought before it.

**Remuneration of judges.**

**109.** The Minister of Labour shall, by regulations, enact provisions as to the remuneration of the members of the Tribunal ; the Institute shall remit to the Minister of Labour the remuneration fixed by him for payment to the members of the Tribunal ; when the allocation of the Treasury has been determined in accordance with section 42 (c), the remuneration shall be paid by the Minister of Labour out of the said allocation.

**Employees of the Tribunal.**

**110.** The remuneration of employees of the Tribunal whose functions are exclusively concerned with the activities thereof shall — if they have been appointed by the Minister of Labour — be remitted by the Institute to the Minister of Labour for payment to them ; when the allocation of the Treasury has been determined in accordance with section 42 (c), the remuneration shall be paid by the Minister of Labour out of the said allocation, and so shall special expenses in connection with the activities of the Tribunal.

**Court fees.**

**111.** Any claim before the Tribunal is exempt from court fees, and any written authority given in connection with an appearance before the Tribunal is exempt from stamp duty.

## Chapter Six: Penalties and Implementation

### 112. (a) A person who —

Penalties.

- (1) fraudulently, or knowingly by concealing material particulars, causes a benefit under this Law to be given or increased, whether it comes into his hands or into the hands of another person ; or
- (2) makes a false declaration or conceals material facts in connection with a contribution ; or
- (3) colludes with another person in connection with the reduction of a contribution or the increase of a benefit

is guilty of an offence and is liable to a fine of IL.1000.— or to imprisonment for a term of one year or to both such penalties.

(b) A person who does not carry out an obligation imposed on him by this Law or by regulations made thereunder, except an obligation to make any payment to the Institute, is liable to a fine of IL.50.— in respect of every person in relation to whom the offence was committed.

(c) This section does not affect the criminal responsibility of a person under any other law.

113. Where a company, a cooperative society or any other body of persons has committed any of the offences enumerated in section 112, every director, manager or official of that body of persons shall also be regarded as responsible therefor and may be prosecuted and punished as if he had committed it unless he proves —

Responsibility  
of Directors  
and managers.

- (1) that it was committed without his knowledge ; or
- (2) that he took all appropriate steps to ensure compliance with the provisions of this Law in connection therewith.

114. A magistrate is competent to deal with any charge under section 112 or 113.

Competent  
court.

115. The Minister of Labour is charged with the implementation of this Law and may make regulations as to any matter relating to such implementation.

Imple-  
mentation.

116. The Minister of Labour may delegate any of his powers under this Law, except the power to make regulations and the powers conferred by sections 74 (c), 80, 85 (b), 86, 91, 99, 101 (b) and 103.

Delegation  
of powers.

117. The Minister of Labour may, before the coming into force of this Law, borrow moneys on behalf of the Institute to cover expenses connected with the putting into operation of this Law.

Transitional  
provision.

118. This Law shall come into force on the 27th Adar Bet, 5714 (1st April, 1954).

Commence-  
ment.

## FIRST SCHEDULE

### *Old-age Pension* (section 6)

1. An old-age pension consists of a basic pension and of a high-cost-of-living allowance thereon in accordance with the Eighth Schedule.

2. The basic pension is —

in the case of an insured person without dependants—	IL.15.—
in the case of an insured person with one dependant —	IL.22.500
in the case of an insured person with two dependants—	IL.28.500
in the case of an insured person with more than two dependants —	IL.34.—

3. Where a person has been insured for over ten years before the date on which an old-age pension is first due to him, the old-age pension shall be increased by 2 per cent for every year of insurance which is in excess of the first ten years and in respect of which the contributions for old-age insurance have been paid ; provided that an old-age pension shall not be increased by virtue of this section by more than 50 per cent.

4. Where an insured person did not retire from all occupation after reaching the age which, had he retired from all occupation, would have entitled him to an old-age pension, the old-age pension to which he is entitled under the preceding sections shall be increased by 5 per cent for every year in which he continued in an occupation and in respect of which the insurance premiums have been paid ; provided that an old-age pension shall not be increased by virtue of this section by more than 25 per cent.

5. Where an insured person, after becoming entitled to a pension by retiring from all occupation, again takes up an occupation, the payment of the pension shall be suspended until he again retires from all occupation; but the years of work in which the payment of the pension is suspended shall be taken into account in respect of an increase of the old-age pension under section 4 of this Schedule.

## SECOND SCHEDULE

### *Pensions and Grants to Widows and Orphans* (section 9)

1. In this Schedule —

(1) "widow" means the person who was the wife of the insured person at the time of his death, but does not include —

(a) a person who had been the wife of the insured person for less than one year and has not borne a child to him ;

(b) a person who for not less than three years out of the five years last preceding the death of the insured person had been separated from him and had not been entitled to maintenance under a judgment of competent court ;

(2) every reference to the age of a widow shall be taken to be a reference to her age at the death of the insured person ; and every amount given as the amount of a benefit shall be taken to be a basic amount, to which is to be added a high-cost-of-living allowance in accordance with the Eight Schedule.

2. A widow of fifty years of age or over shall be paid by the Institute pension of fifteen Israel pounds.

3. A widow who has not yet attained the age of fifty years, but who has attained the age of forty years, shall be paid by the Institute a pension, being — if she has attained the age of forty-five years — eleven Israel pounds and two hundred and fifty prutot ;

if she has not yet attained the age of forty-five years — seven Israel pounds and five hundred prutot.

4. A widow who has not yet attained the age of forty years and who is not entitled to a pension under this Schedule shall be paid by the Institute a grant of 180 Israel pounds.

5. A widow who immediately before the death of the insured person was incapable of supporting herself by work shall be paid by the Institute, so long as she is incapable as aforesaid, a pension of fifteen Israel pounds, even if she has not yet attained the age of fifty years.

6. A widow of any age who has children with her shall, so long as she has them with her, be paid by the Institute a pension of fifteen Israel pounds and a children's allowance, being —

in the case of one child — seven Israel pounds and five hundred prutot ;

in the case of two children — thirteen Israel pounds and five hundred prutot ;

in the case of three or more children — nineteen Israel pounds.

7. In no case shall the total amount of a pension paid to a widow under section 6 of this Schedule be less than the grant which would have been payable to her if she had no children with her.

8. If a widow re-marries, her right to a pension terminates, but the Institute shall pay her a grant of 180 Israel pounds.

9. A widow who upon the death of the insured person becomes entitled to a grant shall not become entitled to a pension by the right of the same insured person unless she bears a child to him after his death, in which case the grant shall be set off against the pension due to her.

10. If a widow's right to a pension under section 5 or 6 of this Schedule ceases otherwise than by her re-marriage, then, for the purposes of her right to a pension under any of the other sections, the insured person shall be deemed to have died on the day on which the right to the pension ceases.

11. Where an insured person has left children for whom his widow is not entitled to an allowance under section 6 of this Schedule, the Institute shall pay a pension for them, being —

in the case of one child — fifteen Israel pounds ;

in the case of two children — twenty-two and a half Israel pounds ;

in the case of three children — twenty-eight and a half Israel pounds ;

in the case of four or more children — thirty-four Israel pounds.

The Minister of Labour may by regulations determine into whose hands a pension under this section shall be paid and, if it is not to be paid in full into the hands of one person, how it shall be apportioned.

12. Where the insured person by whose right a pension is payable has been insured for more than ten years, and the contributions have been paid in full, the pensions payable under this Schedule shall be increased by two per cent for every year of insurance which is in excess of the first ten years and in respect of which the contributions have been paid; provided that the increase shall not exceed 50



per cent of the pension which would be payable but for the provisions of this section.

13. The aggregate basic amounts payable under this Schedule by the right of one insured person shall not exceed thirty-four Israel pounds or, where a pension has been increased under section 12 of this Schedule, fifty-one Israel pounds in respect of any month.

14. Where a pension is claimed by more than one person, and by reason of the provisions of section 13 of this Schedule their claims cannot be satisfied in full, the National Insurance Tribunal shall determine to whom the pension shall be paid or how it shall be apportioned, having regard to the situation of the claimants; however, where an agreement between claimants as aforesaid as to the payment or apportionment of the pension is submitted in writing, the pension shall be paid or apportioned in accordance with the agreement.

### THIRD SCHEDULE

#### *Medical Attendance to Victims of Employment Injuries* (section 18)

1. Medical attendance, including hospitalisation, medicaments and the supply, repair and replacement of orthopedic and therapeutic appliances, shall be provided to the extent necessitated by the employment injury and its effects; the scope and mode of such attendance shall be prescribed by regulations.

2. Where a person is entitled to a benefit under this Schedule, the Institute shall arrange for his transportation to and back from the place where the benefit is to be given, or shall pay him travelling expenses, to such extent and in such manner as shall be prescribed by regulations.

3. The Institute may, within the framework of the regulations and with the approval of the Minister, issue supplementary directions as to medical attendance and transportation, which shall be published in such manner as the Minister may direct.

4. Regulations under this Schedule shall be made in consultation with the Minister of Health and shall be subject to the approval of the Labour Affairs Committee of the Knesset.

### FOURTH SCHEDULE

#### *Employment Injury Benefits* (section 20)

1. Employment injury benefits shall be paid in respect of the period during which an insured person, as a result of an employment injury, is incapacitated for his work and for suitable other work and is in need of medical treatment, rehabilitation or convalescence facilities; provided that injury benefits shall not be paid in respect of a period exceeding 26 weeks in connection with one injury.

2. Employment injury benefits shall not be paid in respect of the day of the injury, but the employer shall pay the injured person the wage of that day.

3. Employment injury benefits shall not be paid in respect of the first three

days on which the insured person is incapacitated for his work and for suitable other work as a result of the employment injury unless he is incapacitated for work as aforesaid for not less than 14 days.

4. An insured person who, though still incapacitated for his work, has commenced work on the strength of a certificate of a physician approved for this purpose by the Institute stating that such work is likely to speed up his recovery shall not, by reason only of such work, lose his right to injury benefits.

5. An insured person whose employer pays reduced contributions under section 38 of the Law shall not be paid injury benefits in connection with a work accident.

6. Injury benefits shall not be paid to a prisoner, a detainee or a person who is under detention, or in an establishment, in pursuance of the Juvenile Offenders Ordinance, 1937.

7. A day's injury benefit shall be three quarters of the ordinary wage of the insured person, but not more than five Israel pounds.

8. The ordinary wage, for the purposes of section 7 of this Schedule, is the amount resulting from the division by ninety of the wage of the quarter preceding the day in respect of which an injury benefit is first due. The Minister of Labour may by regulations enact provisions as to calculating the ordinary wage in cases where its calculation in accordance with this section does not, in his opinion, truly reflect the ordinary wage of the insured person.

9. For the purpose of determining the amount of injury benefits in the case of a person insured under paragraphs (2) to (6) of section 16 (a) of the Law, the amount which served as basis for the calculation of the contributions shall be regarded as the ordinary wage of the insured person.

10. The Minister of Labour may by regulations enact additional and supplementary provisions as to calculating the ordinary wage for the purposes of this Schedule, and he may, with the approval of the Labour Affairs Committee of the Knesset, vary the maximum injury benefits fixed in section 7 of this Schedule, having regard to fluctuations in wages.

## FIFTH SCHEDULE

### *Pensions and Grants to Labour Invalids* (section 21)

1. An insured person who is an invalid as a result of an employment injury and whose degree of invalidity is less than 25 per cent but not less than 5 per cent shall be paid by the Institute a grant of an amount resulting from the multiplication of the percentage figure by three and by a week's amount of the injury benefits which would be due to him under the Fourth Schedule if he were incapacitated for work.

2. An insured person whose degree of invalidity is not less than 25 per cent but less than 50 per cent shall be paid by the Institute a pension in accordance with section 4 of this Schedule.

On the application of the invalid, the Institute shall — if it consents to do so being of the opinion that the condition and economic future of the invalid

justify it — pay him, instead of a pension, a grant of an amount resulting from the multiplication of the percentage figure of his invalidity by three and by a week's amount of the injury benefits which would be due to him under the Fourth Schedule if he were incapacitated for work.

3. An invalid whose degree of invalidity is 100 per cent, shall be paid by the Institute an invalidity pension. A month's invalidity pension shall be equal to a day's amount of the injury benefits which were paid to the insured person, multiplied by thirty. Where since the time when injury benefits were first paid a change has occurred in the high-cost-of-living index according to which a high-cost-of-living allowance is paid to State employees, the invalidity pension shall be reduced or increased according to the level of the index at the date in question.

4. An invalid whose degree of invalidity is less than 100 per cent but not less than 25 per cent shall be paid by the Institute a monthly invalidity pension of an amount bearing to the pension that would be payable to him if his degree of invalidity were 100 per cent the same proportion as the percentage of his invalidity bears to one hundred.

5. Where an invalid, by virtue of his right under section 18 of the Law, is in a place where accommodation and maintenance are provided for him, the Institute may reduce, at a rate determined by regulations, the pension to which he is entitled in respect of the period during which he is in that place ; provided that the reduction shall not exceed the cost of his maintenance in that place.

6. Where an invalid whose degree of invalidity is not less than 50 per cent has, in the opinion of the Institute, a fixed income sufficient for his livelihood or well-founded prospects of such an income, the Institute may, with his consent, pay him a grant in lieu of a pension under this Schedule ; the grant shall be of an amount arrived at by capitalisation of the last pension in accordance with provisions enacted by the Minister of Labour by regulations under this Law.

7. Where, after an invalid has received a grant under this Schedule, his degree of invalidity increases to such an extent as to entitle him to a pension thereunder, there shall be deducted from such pension the amount by which the said grant exceeds the aggregate amount of pension which would have been payable to him from the day on which he first became entitled to the grant to the day on which he became entitled to a pension by reason of the increase of his degree of invalidity if section 4 of this Schedule had been applicable to the degree of invalidity which entitled him to the grant.

8. The degree of invalidity for the purposes of this Schedule shall be determined by a physician or a Medical Board on the application of the invalid or the Institute, as may be prescribed by regulations, by such tests and in accordance with such principles as the Minister of Labour may prescribe by regulations after consultation with the Minister of Health.

The mode of appointment of physicians and the mode of constitution and procedure of Medical Boards shall be prescribed by regulations.

9. A person who considers himself aggrieved by a decision of a physician or a Medical Board may, on conditions to be prescribed by regulations, appeal against it to the Medical Board of Appeal.

The mode of constitution, powers and procedure of the Medical Board of Appeal shall be prescribed by regulations.

10. In determining the degree of invalidity, no regard shall be had to any infirmity, defect or deficiency, congenital or due to illness, accident or any other cause, which existed before the injury in connection with which the degree of invalidity is assessed, or to any infirmity, defect or deficiency which arose from illness, accident or any other cause after such injury, unless it is a direct result thereof.

11. The determination of the degree of invalidity under section 8 or 9 of this Schedule is a pre-condition to any claim before a Tribunal within the meaning of section 98 of the Law and shall be binding upon the Tribunal.

12. An invalidity pension payable under this Schedule to an insured person who at the time of the injury had not yet attained the age of twenty-one years shall be increased, as shall be prescribed by regulations, after he has attained that age.

## SIXTH SCHEDULE

### *Pensions and Grants to Dependants of Victims of Employment Injuries* (section 22)

1. In this Schedule —

(1) every reference to the age of a widow shall, unless the context otherwise requires, be taken to be a reference to her age at the death of the victim of the employment injury ;

(2) "child" means a dependant of the insured person within the meaning of section 22 (b) (2) of the Law.

2. A widow who is fifty years of age or over shall be paid by the Institute a monthly pension at the rate of 60 per cent of the invalidity pension which would have been payable to her husband under section 3 of the Fifth Schedule if his degree of invalidity had been 100 per cent.

3. A widow who is forty years of age or over, but who has not yet attained the age of fifty years, shall be paid by the Institute a monthly pension at the rate of 40 per cent of the invalidity pension as aforesaid until she attains the age of fifty years ; and when she has attained the age of fifty years, the Institute shall pay her 60 per cent of the pension as aforesaid.

4. A widow who has not yet attained the age of forty years shall be paid by the Institute a grant of an amount equal to a month's pension under section 2 of this Schedule multiplied by 36.

5. A widow of any age who immediately before the death of the victim of the industrial injury was incapable of supporting herself by work shall be paid by the Institute, so long as she is incapable as aforesaid, a pension such as would be payable to her if she had attained the age of fifty years. For the purposes of this section, a widower shall be treated in like manner as a widow.

6. A widow of any age who has children with her shall, so long as they are with her, be paid by the Institute a pension as referred to in section 2 of this Schedule and a children's allowance equal to a percentage of the invalidity pension referred to in that section, as follows :

in the case of one child — 20 per cent ;

in the case of two children — 30 per cent ;

in the case of three or more children — 40 per cent.

7. A widow who has had, but no longer has children with her shall be paid by the Institute a pension such as would be payable to her if she had attained the age of fifty years.

8. If a widow re-marries, her right to a pension terminates, but the Institute shall pay her a grant as referred to in section 4 of this Schedule.

9. If a widow's right to a pension under section 5 of this Schedule ceases otherwise than by her re-marriage, then, for the purposes of her right to a pension under any of the other sections, the insured person shall be deemed to have died on the day on which the right to the pension ceases.

10. A widow who upon the death of the insured person becomes entitled to a grant shall not become entitled to a pension by the right of the insured person unless she bears a child to him after his death, in which case the grant shall be set off against the pension due to her.

11. Where an insured person has left children for whom his widow is not entitled to an allowance under section 6 of this Schedule, the Institute shall pay a pension for them, being —

in the case of one child — 60 per cent of the invalidity pension which would have been payable to the insured person under section 3 of the Fifth Schedule if his degree of invalidity had been 100 per cent ;

in the case of two children — 80 per cent of the invalidity pension as aforesaid ;

in the case of three children — 90 per cent of the invalidity pension as aforesaid.

in the case of four or more children — 100 per cent of the invalidity pension as aforesaid.

The Minister of Labour may by regulations determine into whose hands a pension under this section shall be paid and, if it is not to be paid in full to one person, how it shall be apportioned.

12. Where the insured person has left a widow, or children, entitled to a pension and other dependants, the Institute shall pay the other dependants a pension equal to the amount which under section 6 or 11 of this Schedule would be added to the pension payable to the widow or the children if the other dependants were children left by the insured person ; provided that the aggregate amount of pension shall not exceed 100 per cent of the pension which would have been payable to the insured person under section 3 of the Fifth Schedule if his degree of invalidity had been 100 per cent.

13. Where the insured person has not left a widow, or children, entitled to a pension, but has left other dependants, the Institute shall pay such dependant a pension equal to a percentage of the invalidity pension which would have been payable to the insured person under section 3 of the Fifth Schedule if his degree of invalidity had been 100 per cent, as follows :

in the case of one dependant — 50 per cent ;

in the case of two dependants — 75 per cent ;

in the case of three dependants — 90 per cent ;

in the case of four or more dependants — 100 per cent.

14. The Minister of Labour may by regulations determine into whose hands a pension under sections 12 and 13 of this Schedule shall be paid and, if it is not to be paid into the hands of one person, how it shall be apportioned.

15. A pension payable under section 12 or 13 to dependants whom the Institute has approved as partial dependants under section 22 (b) (3) of the Law shall be reduced in proportion to the degree of their dependence as approved by the Institute.

16. In no case shall the aggregate amount of pension paid under this Schedule exceed the invalidity pension which would have been payable under the Fifth Schedule to the person by whose right the pension under this Schedule is payable. Where a pension under this Schedule is claimed by more than one person, and by reason of the provisions of this section the claims cannot be satisfied in full, the National Insurance Tribunal shall determine to whom the pension shall be paid or how it shall be apportioned, having regard to the economic situation of the claimants and to the degree of their dependence on the person by whose right the pension is payable ; however, where an agreement between claimants as aforesaid as to the payment or apportionment of the pension is submitted in writing, the pension shall be paid or apportioned in accordance with the agreement.

17. Where a pension is claimed by more than one person by reason of the death of one insured person, one claiming under this Schedule and another under the Second Schedule, the aggregate amount of pension paid under this Law by the right of that insured person shall not exceed the maximum fixed for the aggregate amount of pension claimable by the right of that insured person under this Schedule or the maximum fixed for the aggregate amount of pension claimable by the right of that insured person under the Second Schedule, whichever is the larger amount.

Where by reason of the provisions of this section the claims of all the claimants cannot be satisfied in full, the National Insurance Tribunal shall determine how the aggregate amount of pension due for apportionment shall be apportioned among all the claimants, having regard to their economic situation and to the degree of their dependence on the person by whose right the pension is payable ; however, where an agreement between claimants as aforesaid as to the payment or apportionment of the aggregate amount of pension is submitted in writing, such aggregate amount shall be paid or apportioned in accordance with the agreement.

## SEVENTH SCHEDULE

### *Maternity Allowance* (section 28)

1. Maternity allowance shall be paid in respect of the period, not exceeding 12 weeks, for which an insured person interrupts her work by reason of pregnancy or delivery.

2. The payment of maternity allowance shall not begin until six weeks before the estimated day of delivery ; provided that if the delivery occurs before that period, payment shall begin on the day of delivery.

3. An insured person is not entitled to maternity allowance unless she has been insured for ten consecutive months preceding the earliest date for the payment of maternity allowance and the contributions have been paid in respect of nine of these months.

4. Notwithstanding section 3 of this Schedule, maternity allowance shall be paid —

(1) in respect of six weeks if the insured person has been insured for ten out of the eighteen months preceding the estimated day of delivery and the contributions in respect of that period have been paid;

(2) in the first thirteen months of the operation of this Law — to an employee who would be entitled to a maternity benefit under the provisions of the Employment of Women Ordinance, 1945<sup>1)</sup>, or of rules made thereunder, if such provisions were then in force.

5. The Minister of Labour may by regulations enact supplementary provisions as to the payment of maternity allowance in the case of a premature delivery.

6. A week's maternity allowance shall be 75 per cent of the ordinary weekly wage of the insured person, provided that it shall not exceed 35 pounds.

7. The ordinary weekly wage, for the purposes of section 6 of this Schedule, is the amount resulting from the division by thirteen of the wage of the quarter preceding the day in respect of which maternity allowance is first due. The Minister of Labour may by regulations enact provisions for calculating the ordinary wage in cases where the calculation in accordance with this section does not, in his opinion, accurately reflect the ordinary weekly wage of the insured person.

8. For the purpose of fixing the maternity allowance in the case of a self-employed person, the amount which served as the basis for calculating the contributions shall be regarded as the wage of the insured person.

9. The Minister of Labour may enact by regulations additional and supplementary provisions as to calculating the ordinary wage for the purposes of this Schedule, and he may, with the approval of the Labour Affairs Committee of the Knesset, vary the maximum maternity allowance fixed in section 6 of this Schedule, having regard to fluctuations in wages.

## EIGHTH SCHEDULE

### *High-Cost-of-Living Allowance*

1. The high-cost-of-living allowance shall be paid in accordance with the high-cost-of-living index in accordance with which a high-cost-of-living allowance is paid to State employees.

2. The high-cost-of-living allowance shall be an amount equal to the hundredth part of the product of the index and the basic amount, less the basic amount.

3. If a change occurs in the method of calculating the high-cost-of-living index referred to in section 1 of this Schedule, the Minister of Labour may by regulations vary the provisions of sections 1 and 2 of this Schedule, concerning the method of calculating the high-cost-of-living allowance payable under this Law, to the extent required by the change in the calculation of the high-cost-of-living index.

<sup>1)</sup> P.G. No. 1423 of the 11th July, 1945, Suppl I, p. 101 (English Edition).

## NINTH SCHEDULE

### *Table of Credits to Accounts of Branches of Insurance* (section 56)

#### Contributions under section 35 or 37

<i>Branch of Insurance</i>	<i>Percentage to be Credited to the Branch</i>	
	<i>In a year in which no Treasury allo- cation is paid under section 42</i>	<i>In a year in which a Treasury allo- cation is paid under section 42</i>
Old-Age Insurance and Survivors' Insurance	75.758	80.645
Maternity Insurance	24.742	19.355

#### Contributions under section 33

<i>Branch of Insurance</i>	<i>Percentage to be Credited to the Branch</i>	
	<i>In a year in which no Treasury allo- cation is paid under section 42</i>	<i>In a year in which a Treasury allo- cation is paid under section 42</i>
Old-Age Insurance and Survivors' Insurance	86.207	92.593
Maternity Insurance	13.793	7.407

#### Contributions under section 38

<i>Branch of Insurance</i>	<i>Percentage to be Credited to the Branch</i>
Employment Injuries Insurance	100

DAVID BEN-GURION  
*Prime Minister*

GOLDA MYERSON  
*Minister of Labour*

YITZCHAK BEN-ZVI  
*President of the State*