

## IMPORTANT INFORMATION CONCERNING WORKERS' PENSION RIGHTS IN ISRAEL

We recommend all workers who check their bank account monthly to ensure their salary has been deposited, do the same for pension / deposit contributions.

Why is this important?

1. Over the years, we've encountered many cases of employers who "save" on expenses by illegally not depositing pension funds. Since the legal monthly deadline to transfer pension contributions is the 15th of each month, it's advisable to check your pension fund after this date.
2. Regular pension deposits ensure that the pension fund remains active, guaranteeing payments in case of work accidents or death.

It is advisable to file a complaint if an employer is not fulfilling his/her duty (see below contacts). The Enforcement and Regulation Authority in the Ministry of Labor can impose sanctions on employers for failing to pay pensions – an administrative warning or a fine of up to 39,770 shekels – depending on the circumstances.

It's crucial to monitor our rights and our employer's obligations regarding pensions:

**Pension Rights:** According to the 2008 "General Pension Insurance Extension Order", every worker in Israel is entitled to monthly pension contributions. Eligibility starts at age 21 for men and 20 for women, and it also applies to workers over the retirement age of 67, in certain cases.

For Israeli workers, the pension needs to be deposited in recognized pension funds which have been approved by the Ministry of Finance.

For non-Israeli workers (migrant workers, asylum seekers, Palestinians), their employers also have an obligation to deposit funds for their pensions. In certain sectors, the employer is required to deposit the money to an official Deposit of the Population and Immigration Authority. In other sectors, the employer will need to pay the equivalent of the pension fund at the end of the employment contract. For more details, see [here](#).

### **Employer Obligations:**

- For Israeli workers - the requirement to make contributions to the pension fund become effective after six months, starting the seventh working month with the same employer / in the same workplace. If a worker already had an active pension fund at the beginning of work, the employer should start contributing from the first day, retroactively, after three months. A pension fund becomes inactive if contributions stop for over five months before starting a new job.
- For Israeli workers mandatory contribution rates for 2024: the worker contributes 6% of the monthly wage, the employer contributes 6.5% plus 6% for the severance pay, non-recoverable by the employer outside of exceptional cases.
- Contributions need to be made from the workers' wages, including sick leave, annual leave, and regular bonuses/ commission.
- In certain sectors and for certain workers the required monthly contributions can be higher / include more components from the worker's salary. In case of such

better requirement, the employer should deposit the money according to the better requirement.

**In Case of Missing Contributions:** Failure to make required contributions can cause actuarial damage, affect accumulated pension rights, and result in loss of disability insurance (if there is one). Deposit amounts must appear on the pay slip for all workers. In case of discrepancies between the pay slips and the pension fund / deposit reports, the worker should contact the employer. The worker can file a lawsuit against the employer and file a complaint with the Ministry of Labor.

For complaints to the Ministry of Labor: Email: [report.achifa@labor.gov.il](mailto:report.achifa@labor.gov.il); Phone: \*2570; Online form (anonymous complaint is possible): [link](#).