

BITUACH LEUMI (NATIONAL INSURANCE) ALERT

The income ceiling - for payment of National Insurance and Health Insurance - has been **doubled** (from **NIS 38,415** to **NIS 76,830** monthly) as of August 2009, and will continue through December 2010. The effect of this amendment is an increase in Bituach Leumi payments - from August - for clients earning more than **NIS 38,415** (after expenses) monthly. Thus, for example, a self-employed person earning NIS 77,000 (net monthly) will pay approximately NIS 12,000 monthly from August; on salaries at the same level, the employer and employee will together pay NIS 13,000.

This amendment is effectively a "tax", as pay for maternity leave, miluim (reserve duty) and work injury have been left unchanged.

We are available to discuss ways of mitigating the 'damage' from this recently imposed burden.