

## **Information about the new deposit law: deduction of 20% from asylum seekers' salaries.**

### **What is the new law?**

According to the anti-infiltration law, a new amendment states that starting in May the employer will deduct 20% of your salary and deposit it into a special bank account (deposit) that will be opened under your name at Mizrahi-Tefahot Bank. It is important to know that 20% have dropped only from base salary, rather than from overtime pay, travel and more. It is important to know that 20% will be deducted from the base salary, and not from overtime, transportation, etc. In addition to this deduction, the employer will also deposit 16% on his part. This amount will replace the components of the pension, severance pay and vocational fund to those who are entitled to it, which were previously deposited into different funds or paid to you upon ending employment.

This amount does not replace the income tax payment - it's in addition to it. Income tax is money that goes to the state and you will not get it back, the 20% will be returned to you at the end. This law applies to all persons who entered Israel from Sinai, either with a conditional visa (2A5) or a working visa (B1). It does not apply to holders of a resident's certificate (A5).

### **What happens to the rights that I've accumulated during my work before May 2017?**

It is important to clarify that according to our understanding of the law, the benefits you accumulated until May 2017 will not be taken from you, and the employer is not supposed to transfer it to the new account. For example, if you have been working since May 2016 and will be dismissed in May 2018, you will be compensated for one year's work directly from the employer's hand (in the salary slip) and the second year's compensation will be waiting for you in the deposit.

### **When can we receive the money?**

The money from the account will be released to you only upon leaving Israel. Also, if you receive refugee status in Israel, you will not have to make deposits from your salary into the account (but the law does not determine whether you can receive the funds already accumulated in this case). We believe that this matter will be clarified later on.

You will also have the right to ask the bank for a written update about the status of the sums and movements in the account whenever you wish.

### **Can anyone take those sums from me?**

No one can withdraw money from your account except for one exception: If your visa is canceled and the state demands that you leave the country, but you stay here 30 days longer than the deportation date, then you can be fined and money will be confiscated from your account. It is important to know: The amount confiscated can only be from the employer's part in the deposit, which is the 16%.

The longer you stay without a visa, the bigger the amount that can be taken away from your account (up to a maximum of 80% of the employer's part in the deposit).

## **Kav LaOved Protecting Workers' Rights**

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**Can this law be repealed?**

We at Kav LaOved- Worker's Hotline, oppose to this amendment and are trying to cancel it. Together with partner organizations, we appealed to the Supreme Court on this matter and as soon as there's any news, we will update you.

**An example of a slip after deduction of 20%**

3/15 SALARY FORM תלוש משכורת

09-6030071 F ת.פ. 09-6030070 TEL 66990 תל אביב 108 לינסקי ADDRESS כתובת BRANCH שם החברה/COMPANY

01/03/2015 :START DAY DATE 5388 :WORKER NO/מספר עובד  
01/03/2015 :0.08 YEARS 25 :PASS/החלק  
164.00 out of 164.00 working hours  
26.00 out of 22.00 working days  
24.98 hour rate 186.21 day rate  
100.00 % :JOB TYPE  
01/01/88 BIRTH DATE ת.ל.י.ה  
0 :אריתרא  
013184-3 :DEPT/מחלקה/איותחאה  
ארץ מוצא/COUNTRY

AMOUNT	DEDUCTIONS	TOTAL PAYMENT	RATE	AMOUNT	PAYMENT
477.97	INCOME TAX 10%	4,096.72	24.98	164.50	שכר יסוד
2.00	SOCIAL SECURITY TAX	246.00	1.00	0.52	נסיעות
	HEALTH TAX	282.04	427.00		הבריאה
		215.00	215.00		שי לחג - ענקי ניקון
124	ביטוח בריאות				
819.34	קרן פיקדון				
	Deposit fund 20%				
	OTHER DEDUCTIONS				
1423.31	TOTAL DEDUCTIONS				
	NET SALARY				
3356.45	TOTAL OTHER DEDUCTIONS				
	NET PAYMENT				

OTHER	CAPLOSS	EMP. COMP	EMP. PART	SALARY	TYPE/סוג	FUND NAME
0.00	0.00	0.00	0.00	4,096.72	ללא	סיוע בריאות
0.00	0.00	0.00	655.4		ללא	קרן פיקדון
0.00	0.00	0.00			ללא	
0.00	0.00	0.00			ק"ה	

DEDUCTIONS	CUMULATIVE INFO	CURRENT MONTH	PAYMENT
INCO. TAX	389.00	4,780.00	4,779.76
SOCIAL SECURITY	2.00		
HEALTH			
FUND 35%			
EXECUTIVE SEC		4,780.00	4,779.76
ADV. STU.FUND	108.00		
CLAUSE 47			

1423.31 TOTAL DEDUCTIONS NET SALARY

3356.45 TOTAL OTHER DEDUCTIONS NET PAYMENT

EMPLOYER DEPOSITS/הפקדות מעביד

Deposit fund 16%

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