

BY: **RUSSELL D. MAYER, ADV.**

SUBJECT: **MANDATORY PROVISIONS OF ISRAELI EMPLOYMENT LAW**

DATE: **FEBRUARY 2015**

I take this opportunity to very briefly review and list some of the major requirements of the law – employers may be more generous but not less than the minimum provisions of the law and the list is not exhaustive.

1. **Prohibition of Discrimination in the Hiring Process, Terms of Employment and Termination of Employment.** Generally prohibited is discrimination based upon age, sex, personal status, parenthood, sexual orientation, race, religion, nationality, country of origin, opinion or membership in a political party.
2. **Requirement to Provide Statutory Notice of Terms of Employment** – or an employment agreement which includes the mandatory provisions on the statutory form and which is to be provided within 30 days of the commencement of employment and upon material change in employment terms. This law was recently modified to require updates to employee candidates as well – see my separate memo on the subject.
3. **Statutory Social Benefits no Less than the Requirements of the Law** – including vacation and sick pay (both of which are based upon tenure) as well as public holidays.
4. **Commuting Reimbursement** – generally for the cost of public transportation to and from work subject to a daily maximum as set by law.
5. **Pension Plan/Managers Insurance Policy** – currently at the following rates: (a) 6% on account of the Employer for pension, (b) 5.5% on account of the Employee for pension and (c) 6% on account of the Employer for severance pay. These percentages apply to the lower of an employee's actual salary and the national average salary.
6. **Dmei Havraah (Relaxation Pay)** – mandated by law and based upon tenure.
7. **Pay Stubs** – to be provided in the statutory form/content.



8. **Obligation to withhold income tax and Bituach Leumi at source** and remit payment to applicable authorities
9. **Prohibition of Overtime/Work on Employee's Day of Rest.**
10. **Overtime Pay** – mandatory with few exceptions unless the employee is part of management of the employer or in a position of unique trust.
11. **Timesheets/Electronic Records** – of attendance are required.
12. **Halanat Sachar (Late Payment Penalty)** – for salary and other financial benefits not paid by the dates provided by law (generally within 10 days of the date for which services were rendered – e.g. the end of the month).
13. **Prevention of Sexual Harassment.**
14. **Right of Shimuah (internal hearing)** – before a decision is made to dismiss an employee.
15. **General Prohibition Against Terminating the Employment of a Pregnant Woman or one who has Given Birth** – without first obtaining the permission of the Ministry of Labor (which is unlikely to grant a permit) subject to the provisions of the law.
16. **Obligation to give Advanced Written Notice of Dismissal or Resignation** – amount of notice is determined by tenure and is generally capped at one month.
17. **Obligation of the Employer to Provide Employees with a Statement of the Period of Time Worked at that Employer** – to be provided within 14 days of the end of employment.
18. **Obligation to Remit Severance Pay** – generally required with limited exceptions and may apply in some instances even upon resignation (e.g. material worsening of employment conditions as the expressed reason for resignation).

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*This memorandum is not to be considered as a legal opinion.
For legal advice, we suggest that you contact legal counsel directly.*

RDM