



BROIDE & CO.
Certified Public Accountants (Isr.)

28th December 2017

Compulsory Pension for Self-Employed as of 2017



1. As of 2017 self-employed persons – under the age of 55 – are legally required to deposit a minimum amount in a pension savings plan.
2. Such minimum amount is fixed at 4.45% of taxable income that is less than half the “average salary”, and thereafter at 12.55%, but not exceeding taxable income of NIS 9,673 per month (NIS 116,076 per annum).
3. These provisions do not apply to a person in the first 6 months of activity as self-employed.
4. These amounts are required to be deposited by December 31st each year, including 2017.
5. In certain situations these amounts may be reduced.
6. These deposits will be added to pension funds tax benefits.
7. Funds may be used under certain conditions as unemployment compensation.

This is a very brief summary; it is recommended that clients should refer to the full provisions of the law. Furthermore, we strongly counsel consulting with your financial institutions, insurance agents or financial advisors today.