

ABSORPTION BASKET AND REIMBURSEMENT PROCEDURES
FOR NEW ACADEMIC STAFF MEMBERS MOVING TO ISRAEL

This Procedure explains the terms of use of the absorption basket offered to new academic faculty members relocating from abroad, as well as the conditions for receiving reimbursement for expenses incurred for airplane flights and the transport of personal belongings to Israel.

ABSORPTION BASKET:

The Hebrew University offers an “absorption basket” in the amount of NIS 324,265 (correct as of 2019) to those who have been offered a senior academic faculty position at the University. The absorption basket is intended to be used by the new academic faculty member to cover various expenses and/or costs of services specified below:

- 1. Monthly residential rent:** to a maximum of NIS 3,200 per month.
- 2. Expenses related to the purchase of an apartment or house,** such as: attorney’s fees, realtor’s fees, moving costs, acquisition tax, renovation of the apartment/house for residential use by the faculty member (including payments to renovation contractors, architect’s services etc.).
- 3. Mortgage payments** – for an apartment or house owned by the faculty member and in which s/he resides - up to NIS 3,200 per month.
- 4. Residential apartment insurance payments and municipal tax payments** - for an apartment that the faculty member owns, and in which s/he resides.
- 5. Payments for daycare and kindergartens** – for children up to 12 years old, including payments for afternoon daycare, a caregiver/nanny, camps, and enrichment activities. ***The payments for daycare centers and/or kindergartens for children up to five years of age are instead of the “additional payment for daycare” under the 2011 wage agreement, on the basis of the calendar year.*** Thus, during any given calendar year, it is possible to receive either an absorption basket reimbursement for childcare or “additional payment for daycare,” in accordance with the employee’s preference.
- 6. Expenses incurred during a sabbatical year abroad** – expenses related to children’s education abroad and apartment rental expenses abroad. Reimbursement of expenses will be made to the faculty member after the s/he returns to work at the University at the end of the sabbatical year.

- 7. Home communication expenses** - reimbursement of the monthly payment to internet service provider for home internet connection.
- 8. Health Insurance** – complementary insurance policy with a health fund (government-regulated HMO in Israel). Health insurance with the insurance companies, dental insurance, and nursing care insurance.
- 9. Car Insurance** – Compulsory insurance and comprehensive insurance for one vehicle only, registered in the name of the faculty member, for a period of no longer than the first six years of her/his employment at the University.
- 10. Loan to purchase and/or renovate a home** – The employee may receive a subsidy for the interest payment on a home loan, at the rate of the difference between 4% and the actual interest rate on the loan. For example, if the interest rate on the home loan that the employee procures is 10%, the university will subsidize 6% ($10\% - 4\% = 6\%$). The amount of the loan may not exceed NIS 150,000 NIS.
- 11. Loan for purchase of a car** – The employee may receive a subsidy for the interest payment on the car loan, at the rate of the difference between 4% and the actual interest rate paid on the loan. For example, if the interest rate on the car loan is 10%, the University will subsidize 6 % ($10\% - 4\% = 6\%$). This subsidy will be granted on condition that the amount of the car loan does not exceed NIS 60,000.
- 12. Deposit in pension fund** – From the onset of the first year of employment, the employee may transfer one-sixth of the total absorption basket (up to the amount of the balance remaining in the basket) to be deposited in a pension fund. At the conclusion of twelve years of employment at the University, the employee may transfer the unused balance in the absorption basket, if any such balance exists, to be deposited in the pension fund (the money deposited in the pension fund is taxable).

The following are the principles for use of the absorption basket:

- a. The absorption basket will be considered a standing loan. At the end of each academic year, 1/12 of the amount of the loan will become a grant.
- b. The full amount of the absorption basket may be used within the first six years of employment, i.e., at the beginning of each academic year, 1/6 of the total absorption basket amount will be released and made available for use (NIS 54,585 per year). The balance that has not yet been utilized will be transferred from year to year, and can be used in the course of the years of employment at the University.
- c. In the event of termination of employment at the University for any reason, other than the death of the employee, before the conclusion of twelve years, a final calculation will be made, and if it emerges that the employee expended loan monies, s/he will be obliged to repay said monies to the University.

- d. After the conclusion of twelve years of employment at the University, the entire amount of the absorption basket will become a grant, but use of the monies will be subject to the above mentioned rules.
- e. All of the sums of money paid to the employee as part of the absorption basket are subject to payment of the appropriate taxes.
- f. The employee may receive reimbursement of expenses covered by the absorption basket only after presentation of receipts or other documentation proving that s/he expended the said money for the said expense.

Examples of acceptable documentation to prove expenses include:
apartment rental contract, airplane ticket, loan agreement etc.

REIMBURSEMENT OF EXPENSES INVOLVED IN MOVING TO ISRAEL (FOR NEW ACADEMIC STAFF MEMBERS COMING TO ISRAEL FROM ABROAD, TO BEGIN EMPLOYMENT AT THE HEBREW UNIVERSITY)

A new senior academic staff member who comes from abroad to begin employment at the Hebrew University is eligible for full reimbursement of the cost of airplane tickets and transport of their and their family's belongings. Below are the rules of reimbursement of expenses involved in coming to Israel:

- a. In order to receive reimbursement of the cost of airplane tickets, the plane tickets must be in economy class and they must be for the shortest possible route of travel to Israel.
- b. The senior academic faculty member will send the documents for the expenses for which s/he is eligible for reimbursement, to the payroll department:
 - 1) Airplane ticket(s)
 - 2) Receipts for costs of transporting belongings to Israel
- c. Reimbursement of expenses will be carried out through the employee's paycheck, and the employee will pay income tax and National Insurance payments on this amount, in accordance with the employee's tax bracket.
- d. Reimbursement of costs of transporting belongings to Israel will be approved up to the amounts detailed below (as of 2019):
 - a) From the East Coast of the USA – up to \$2,500
 - b) From the West Coast of the USA – up to \$3,100
 - c) From the Midwest of the USA – up to \$2,800
 - d) From Europe – up to \$2,000
 - e) From South America/Australia – up to \$3,100

- e. All sums of money paid as reimbursement of expenses involved in removal to Israel are subject to taxation.
- f. The employee will receive reimbursement of expenses covered by the absorption basket only after s/he presents receipts or other types of documentation that prove that s/he expended the said money for the said expense.
- g. Reimbursement of expenses will be done at one time, after the employee has submitted all of the receipts and required documentation, and the employee has signed a letter of obligation. The reimbursement will be paid not before payment of the employee's first paycheck.
- h. The terms of use applicable to the absorption basket and specified in the chapter regarding the absorption basket above, will apply also to reimbursement of expenses, correspondingly.

For additional information in any matter pertaining to the University absorption basket, please contact the Payroll Department:

Phone number: 02-588-2732

Email address: shlomogol@savion.huji.ac.il

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