Date: XX

Dear Academic Faculty Member,

Greetings and shalom!

From the commencement of your employment as a member of the senior academic faculty at the Hebrew University, an “absorption basket,” valued at NIS 327,508, will be at your disposal. The absorption basket is designed to help cover various expenses and/or costs of services, as 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 your residential use (including payments to renovation contractors, architect’s services etc.).
3. **Mortgage payments** – for an apartment or house that you own and in which you reside - up to NIS 3,200 per month.
4. **Residential apartment insurance payments and municipal tax payments** - for an apartment that you own, and in which you reside.
5. **Payments for daycare and kindergartens** – for children up to 12 years old, including payments for afternoon daycare, caregiver/nanny, camp, and enrichment activities. **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 the 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 paid after you return to work at the University after the sabbatical year.
7. **Home communication expenses** – reimbursement of the monthly payment to your 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 your name, for a period of no longer than the first six years of your employment at the University.
10. **Loan to purchase and/or renovate a home** – You 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 of the loan. For example, if the interest rate on the home loan that you procure is 10%, the University will subsidize 6% (10% - 4% = 6%). The amount of the loan may not exceed NIS 150,000.

11. **Loan for purchase of a car** – The employee may receive a subsidy for the interest payment on a car loan, at a rate that is equal to the difference between 4% and the actual interest rate of 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 start of the first year, the employee may transfer one-sixth of the total absorption basket (up to the amount of the balance remaining in the basket) as a deposit in a pension fund. At the conclusion of twelve years of employment at the University, the employee may transfer any unused balance in the absorption basket, as a deposit in the pension fund (the money deposited in the pension fund is taxable).

Below are the principles and guidelines for the use of absorption basket funds:

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 rolled over from year to year, and can be used in the course of the years of the person’s employment at the University.

c. In cases of termination of employment at the University before the conclusion of twelve years for any reason (other than in the event of the death of the employee), a final calculation will be made, and if it emerges that the employee expended loan monies, s/he employee will be obliged to repay said monies to the University.

d. Upon the conclusion of twelve years of employment at the University, the absorption basket will become a grant, but use of the monies will be subject to the above-mentioned provisions.

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.

To receive additional information on any matter pertaining to the University’s absorption basket, please contact the Payroll Department:
Phone number: 02-588-2732
Email address: shlomogol@savion.huji.ac.il