

## Pensions Update - Israel

January 2024

### Pension Limits and Allowances

The table below outlines the contribution limits and allowances published by the Israeli Tax Authorities for the 2024 tax year (2023 figures included for reference).

Category	Description	2024 (ILS)	2023 (ILS)
Annual Severance Exemption	The total amount that can be withdrawn on a tax-exempt basis for each year of employment.	13,750	13,310
National Average Monthly Salary	Average monthly salary.	12,536	11,870
Monthly salary base for Retirement and LTD contributions	The salary ceiling where contributions by the employer shall not be considered as taxable income to the employee.	31,340	29,675
Annual Severance Contribution Limit	The maximum amount for severance pay for which deposits will not be recorded as income.	41,500 (3,458.33 monthly)	39,300 (3,275 monthly)
Maximum monthly salary for Education Fund contributions	Maximum salary an employer can use when calculating tax-free contributions to their employees education fund.	15,712	15,712
Pension Contribution Limit	Monthly deposits into a pension fund cannot exceed 20.5% of twice the monthly national average salary.	5,139.76	4,866.70

➔ *Action – if these figures are mentioned in any internal communications to employees then employers should make the relevant updates.*

*Local payroll providers will automatically be updating these figures in their payroll systems.*