

PERIODIC REPORT

SEPTEMBER 2019

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The Israel Association of Senior Housing Residents was founded in 2000, its objective being the protection of the rights of residents in protected housing facilities.

Today, the Association has 10,000 members residing in 40 seniors housing projects. It is managed by a Board of Directors, an Auditing Committee, a treasurer and a secretary, all elected periodically - all residents of protected housing facilities and all working on a pro bono basis.

The Ministry of Justice awarded the Association the status of “Representative Consumer Organization” which accords it the universal right of representing all the residents (especially in class-action suits). This opened the door for court cases on a number of very important issues pertaining to residents’ rights.

After several years of hard work on the part of the Association, the Assisted Living Law passed its final reading in the Knesset in June 2012 and most articles came into effect in December of 2012. The law regulates all aspects of protected housing issues, protects resident’s rights and establishes inspection regulations for protected senior housing facilities. (Hebrew and English versions of the Law are posted on the Association’s website).

Sections of the Law regarding inspection are not applicable as yet since the pertinent regulations have not yet been passed by the Knesset. Hopefully, after the upcoming elections, it will be possible to expedite and finalize this legislative process. Another major success of the Association was passing the Amendment to Article 27 of the Assisted Living Law – the Securities Clause regarding our deposits – which will go into effect in January 2020.



Dear Association Members,

We are continuing with our practice of providing a periodic report that sums up the past year’s activities as well as providing our plans for the coming year. We also recommend that you and your family members access the Association’s website, which is updated regularly and gives all the relevant news. We are also on Facebook.

During our annual assembly, which was held three months ago, we reported on 2018 and the first half of 2019. Minutes thereof were sent to your representatives (in Hebrew).

The following is a summary of past and future activities:

Note: To help us achieve our goals, we also employ a number of advisors such as: lawyers, lobbyists, economists and P.R. experts. Each assists us in providing solutions to our problems, promoting public awareness and garnering support.

1. The original version of **Clause 27 regarding securities** for our deposits required amending so as to ensure a real and proper guarantee for our deposits. After six years of deliberations and efforts, the amendment to Clause 27 was ratified and will become effective as of January 2020.

This amendment states that the owners must provide securities for every deposit paid by the residents. All expenses incurred in providing such securities are to be borne by the owners (as opposed to 80% borne by the residents in the previous version). The amendment set out four options:

- Bank guarantees.
- Putting 40% of the balance of deposits in trust with a trustee.
- Deeding a first mortgage on the apartment in favor of the resident or the depositor.
- Entrusting a first mortgage to a trustee in favor of all the residents. The mortgages are to cover public areas as well (excluding commercial surfaces and nursing wings).

The owners are free to opt for the kind of security they wish to provide. Following much deliberation and examination, all above-mentioned securities options were found to be worthy. Residents are not allowed to waive receipt of said security and the owners must provide it by January 2020.

It seems that most owners are opting for the fourth option, a first mortgage managed by a trustee. To receive this security the residents have to do the following:

- A. The Va'ad (Residents' Committee) must appoint an appropriate trustee .
- B. The Va'ad must obtain approval from the residents by a majority vote.
- C. The Va'ad must inform the owner as to the trustee selected and demand that the owner and/or the trustee provide a copy of the trust agreement prior to signing it.
- D. The Va'ad must examine the trust agreement to ensure that all residents' rights are protected.
- E. All expenses, including the trustee's fee, are to be borne by the owners.

We recommend that the residents or the Va'ad consult attorneys in order to examine the language of the agreement signed between the owner and the trustee, as well as the documents submitted to the residents for signature, regardless of the type of security selected.

2. **Personal Caregiver (“Metapel Ishi”)**

The results of the class action lawsuit regarding payments to the home in exchange for lodgings for a “metapel” are posted on our website. Another class action suit was submitted against the “Mish’an” chain. In addition, should you need it, you can find the expert opinion of an economist on this matter on our website. Should you still have problems re this issue, please contact the Association.

3. Including municipal taxes in the monthly maintenance fee.

Unfortunately, there are still some homes that insist on including the municipal taxes in the monthly maintenance fee. This means that VAT has to be paid, while by law, VAT does not apply to these taxes. It also prevents some residents from getting any discounts for which they are eligible. We are continuing legal procedures on this matter against the “*Bayit Balev*” chain of homes.

4. Demand for transparency when maintenance fees are increased above the cost of living index

We are constantly negotiating with managers and owners of homes and chains to fight for transparency when the monthly fees are increased. We suggested a mechanism where a CPA representing the residents would sit with the home’s CPA each year to reach an agreement as to which budget items justify an increase above the cost of living index. In some homes, this is already happening, and we hope it will spread to all the homes and benefit both parties concerned.

5. Collection of Association membership fees by the home via the monthly maintenance billing

Unfortunately, only some home-managements have agreed to collect the Association membership fees through the monthly billing system. We are looking for ways to convince the rest of them to follow suit.

6. VAT

The Association’s economic advisor submitted a document that shows why residents in protected senior housing projects should be exempt from VAT payments, proposing “Zero VAT”. (Zero VAT vs. VAT exemption is a technicality, but an important one for the success of the endeavor). Talks have begun with senior officials at the Ministry of Finance. This will be a long and arduous process involving discussions with various Knesset committees and a decision by the Minister of Finance. We all hope that our proposal will be accepted by all involved.

The Association’s efforts re this matter will be renewed with the opening of the 22nd Knesset.

7. Linking and Updating Residents’ Medical files

Since all our efforts and activities to link residents’ medical files in the senior housing with those in the “*Kupot Holim*” (sick funds) have failed so far, we have requested that the Ministry of Health act to find a solution to this problem.

8. Homes for the Semi-Independent

The Association is firmly opposed to efforts made to amend Article 15 of the Assisted Living Law, which seek to allow admission of semi-independent persons to independent senior housing. The Association's position is that an additional article should be added to the Assisted Living Law allowing such persons to be admitted only when the home can provide separate areas and activities suitable for them, without reducing existing facilities and services for independent residents.

9. Regulations

Once the new government has been established, we shall take immediate steps to ensure final approval by the necessary authorities of those regulations which have not yet been approved. (Regulations which have already been approved appear in our website).

10. Future Activities

We shall continue discussions with owners and relevant State authorities to achieve our goals, as follows: -

- Transparency when the monthly maintenance fee is raised above the level of the cost of living index.
- Obtain "Zero VAT" for residents in senior protected housing.
- Support the addition of an article to the Protected Living Law regarding semi-independent applicants.
- Support residents suffering from heavy construction being carried out in homes.
- Insist on lowering exaggerated sums demanded for lodging a caregiver ("metapef").
- When requested, we shall continue to support and guide residents' committees and appear before general assemblies of residents of member homes as well as in homes requesting to join our Association.
- Continue to invest in promoting the Association's website and Facebook pages.

*The New Year is upon us, and we hope to promote and finalize our goals
and objectives in order to protect our rights.*

*We wish you a New Year of good health, good news and many, many joys
to all.*

SHANA TOVA



Avraham Bar David, Chairman of the Board