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Denial of Severance Pay in Israel: A Call for Change

Severance pay in Israel is a cogent right, subject to few exceptions. The paper focusses on the exception that empowers the court to allow an employer, in particular circumstances, to dismiss an employee with no severance payment. A systematic review of labor court decisions shows that despite the clear language of the law, which requires a preliminary approval of the court, in practice the Israeli labor courts allow employers to deny severance payments as a self-help, subject to ex post judicial review. Thus, judicial review of the denial of such compensation is carried out only in case the employee files an ex post claim against the employer.