

Return to work after long-term sickness

*conference on Labor Activation in Times of High
Unemployment*

OECD, Paris, 14-15 November 2011

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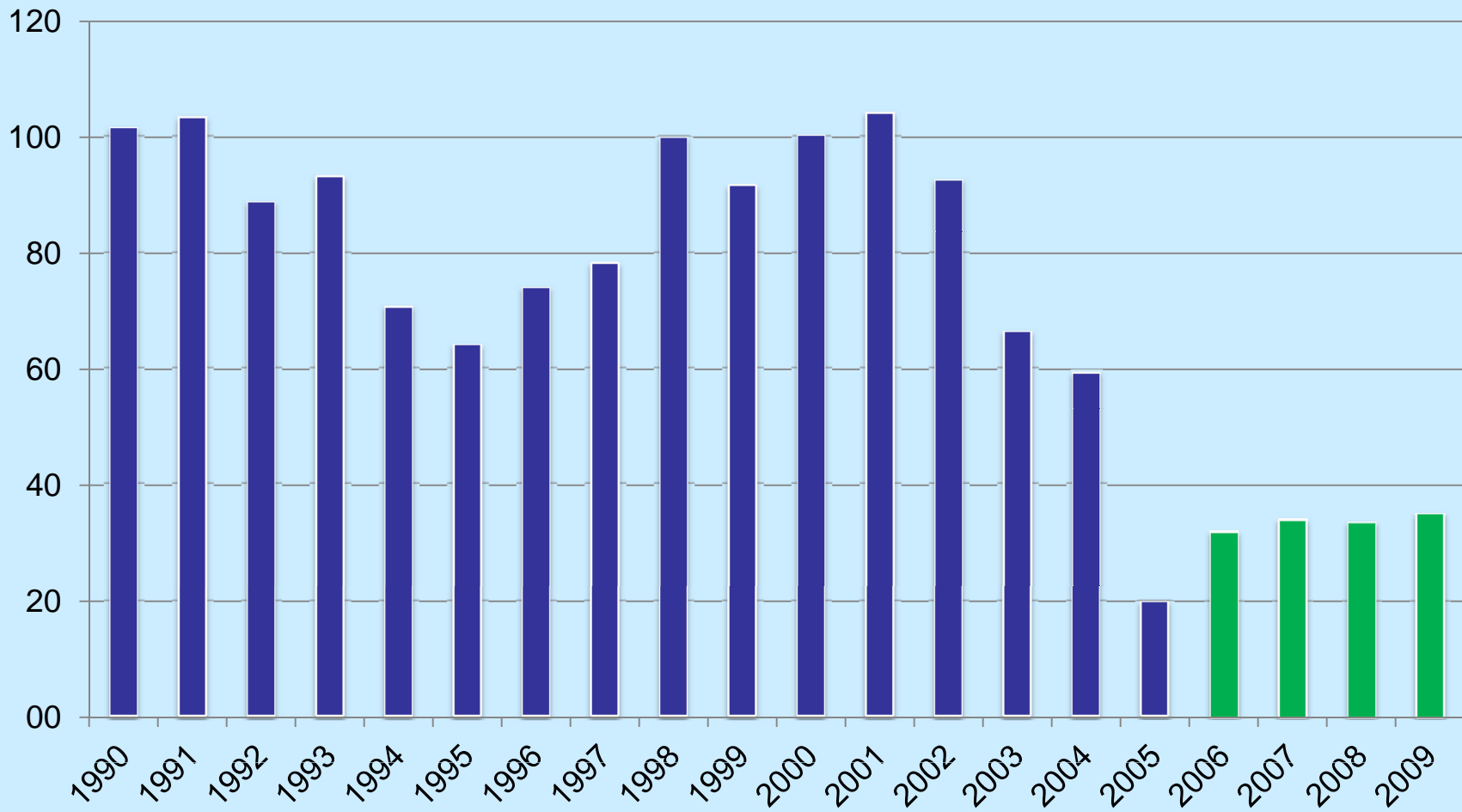
overview

- Dutch benefit schemes (safety-netters)
- survey design
- return-to-work (rtw) trajectories
- relaxing some assumptions
- conclusions

Sickness and disability benefit schemes in the NL's

	Regular employees	Safety-netters	Disabled
replacement rate	85% (incl)	70-85% (incl)	depends on degree, expected duration and effort, max. 75% (excl)
benefit duration	2 years	2 years	until age 65
funding	employer	(employer) NSII	In case of regular employees: experience rating to cover first 10 years, then uniform rate
rtw-responsibility	employer / employee (gatekeeper protocol)	(employer) NSII	NSII or employer, if self-insured
job protection	2 years	not applicable	none

Disability benefit awards (in 1,000), 1990-2009



safety-netters

- safety-netters are entitled to sick pay but have no employer to pay for it
- major groups are:
 - UI-beneficiaries (“temporarily” unemployed)
 - temps for whom their employment contract ends when they call in sick)
 - fixed-term workers who are sick-listed when their contract ends
- DI-risk of safety-netters is *four times* as high as that of regular employees

research questions

- *what happened to all those workers who used to go on disability?*
- *why is the DI inflow rate of safety-netters four times as high as the rate of regular employees?*

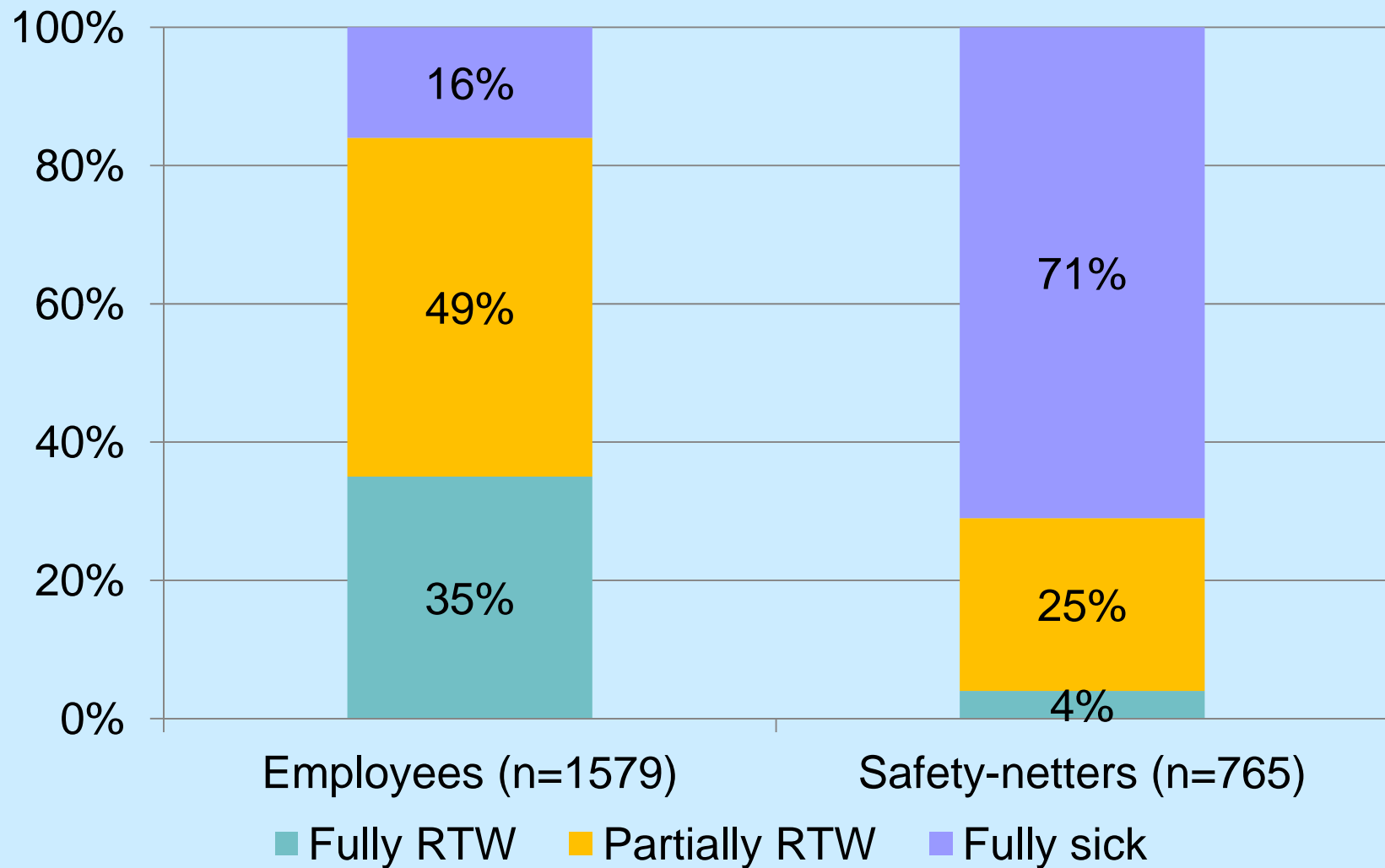
survey design

- two samples of workers who were on sick leave for 9 months
- one sample are 3,892 regular employees for whom the employer pays sickness benefits
- the other sample are 2,431 flexworkers and UI benefit recipients (“safety-netters”) entitled to sick pay administered by the NSII
- the samples were surveyed at 10, 18 and 27 months after first day of sickness

composition of the sample of safety-netters

<i>UI beneficiaries</i>	1,236
<i>temp agency workers (temps)</i>	325
<i>fixed term employees (EDV's)</i>	870
<i>total</i>	2,431

Work status across the three waves



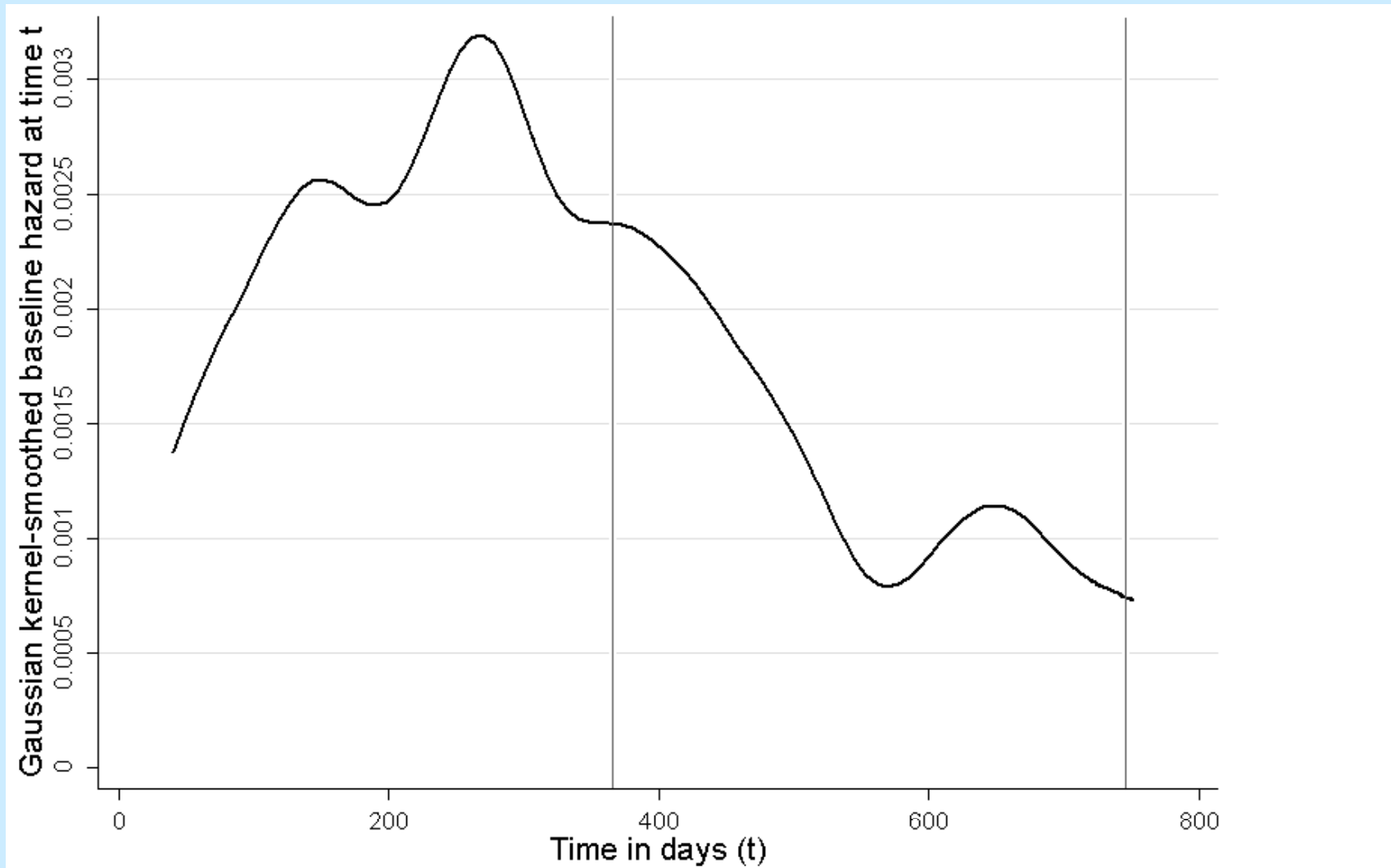
Assumptions and limitations of the analysis of partial or full rtw

- partial and full rtw are taken as absorbing states
- estimation by a semi-parametric Cox duration model
- interventions are not distinguished by type, only by agent
- all variables (incl health) are self-reported

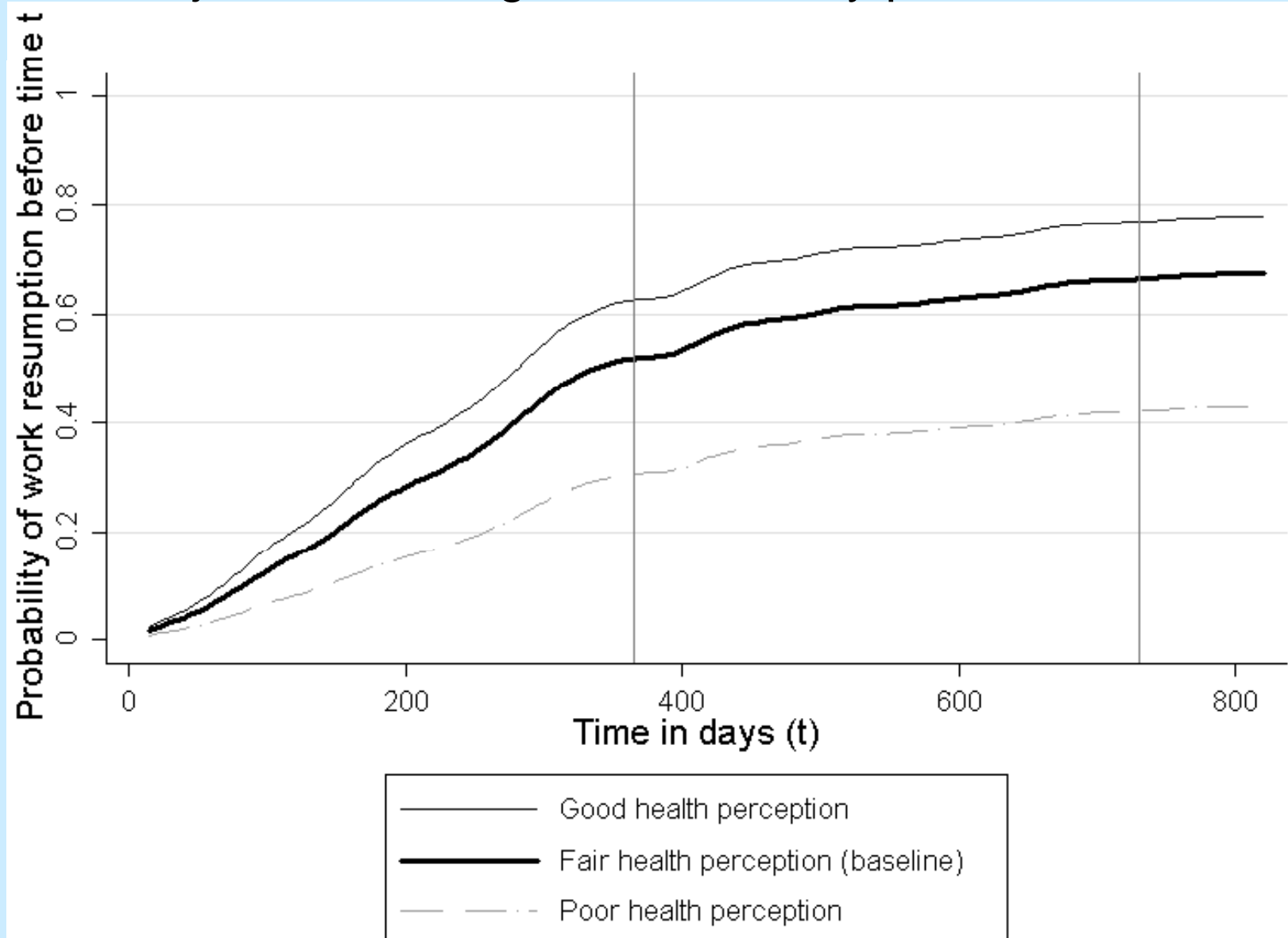
determinants of (partial or full) rtw

regular employees	flex workers	UI beneficiaries
age (-), female (-), low schooling (-), income (++)	age (---), high schooling (++) income (++)	age (---)
cause of sickness: other than mental or MSD (-) conflict at work (-) stress (++)	cause of sickness is ns	cause of sickness is ns
self-perceived health is: good (++++) poor (----)	self-perceived health is: good (++++) poor (----)	self-perceived health is: good (++++) poor (----)
rtw interventions by: employer (++++) OHS (++++) other agencies (--)	rtw interventions by: employer of fixed term worker (++++)	rtw interventions by: NSII (++++)
rtw plan made (++)	rtw plan made (+++)	rtw plan made (+++)

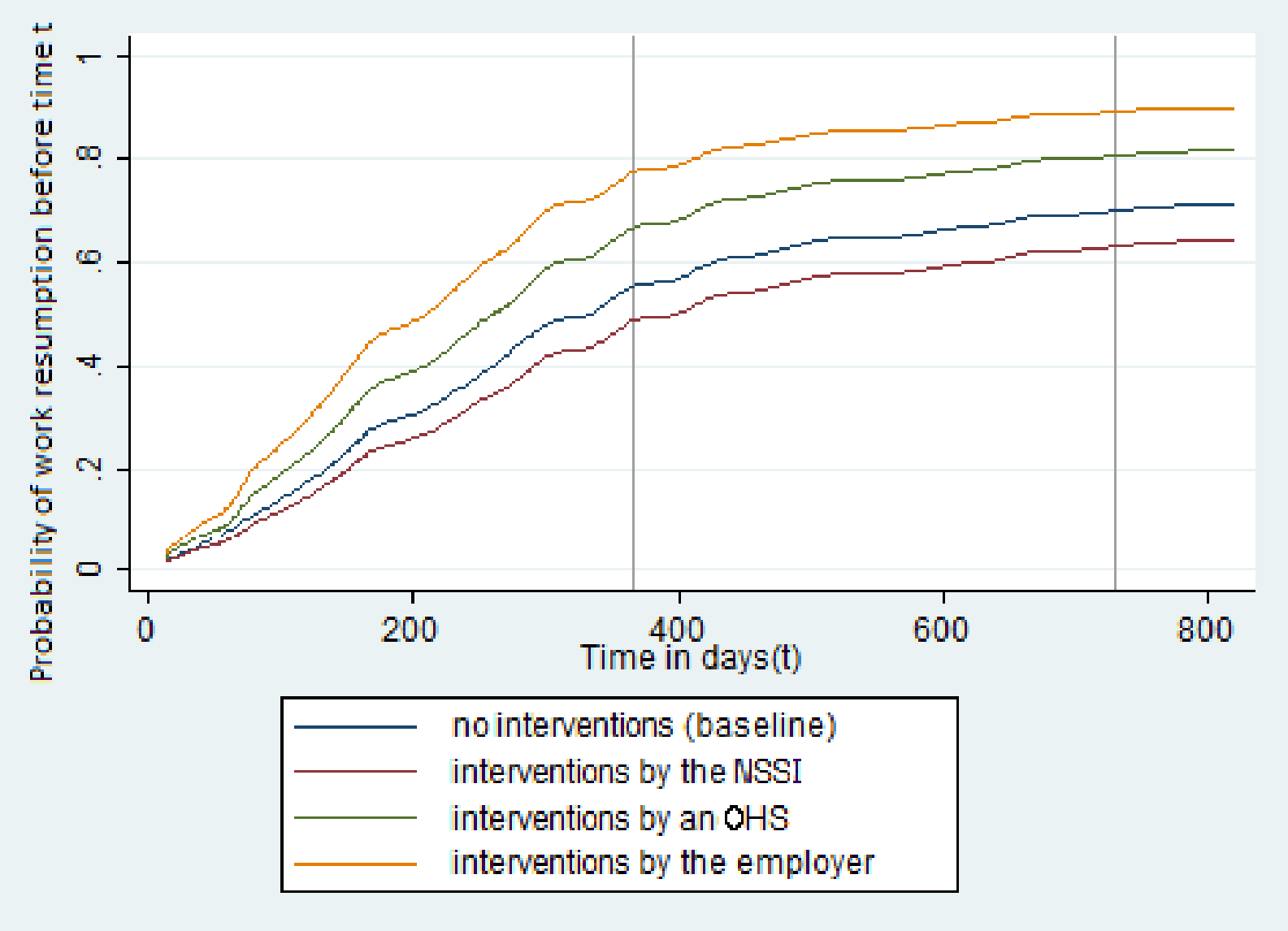
Smoothed baseline hazard function with vertical lines at 12 and 24 months after reporting sick (regular employees)



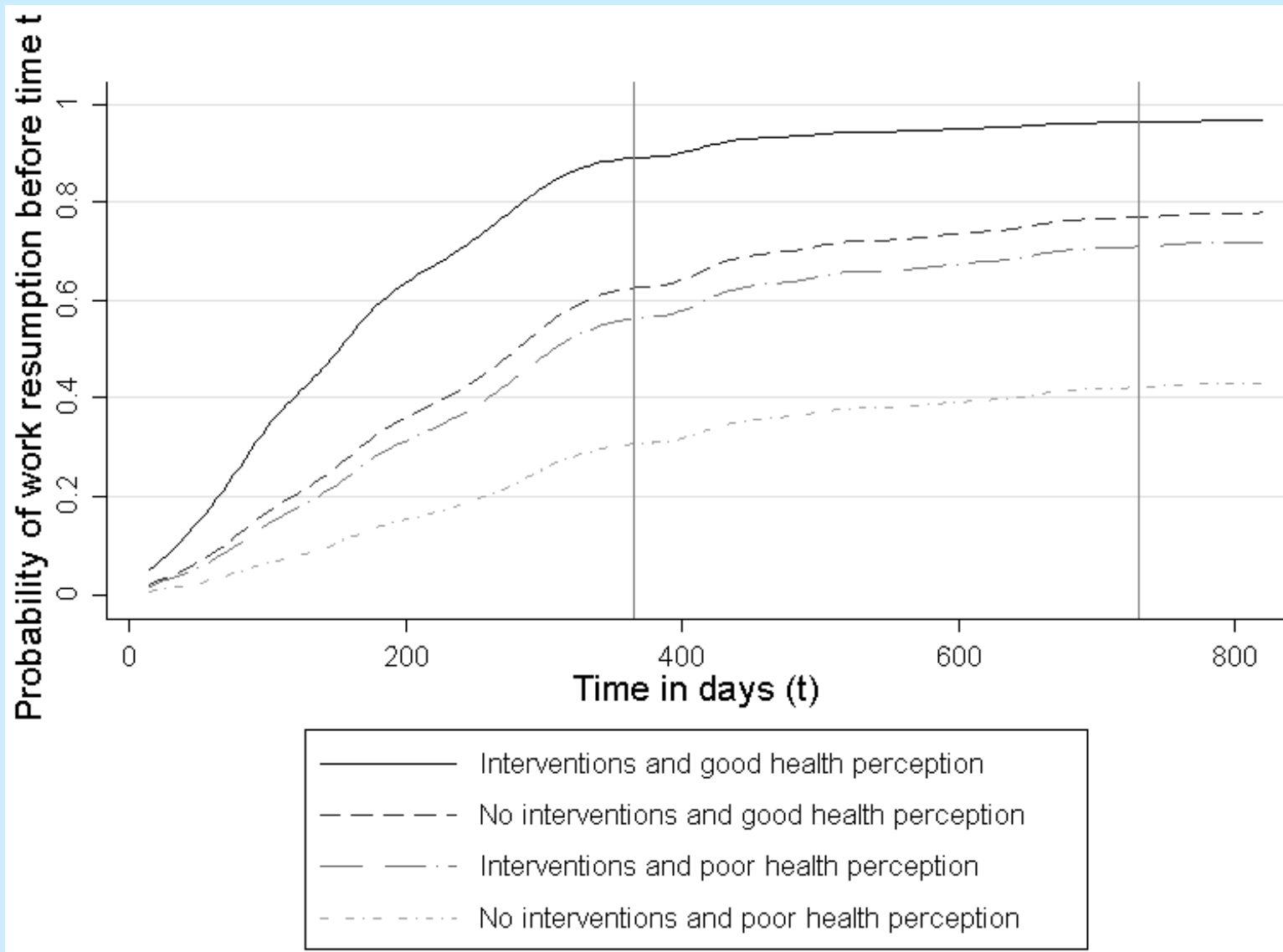
rtw trajectories of regular workers by perceived health



rtw trajectories of regular workers by intervening agent



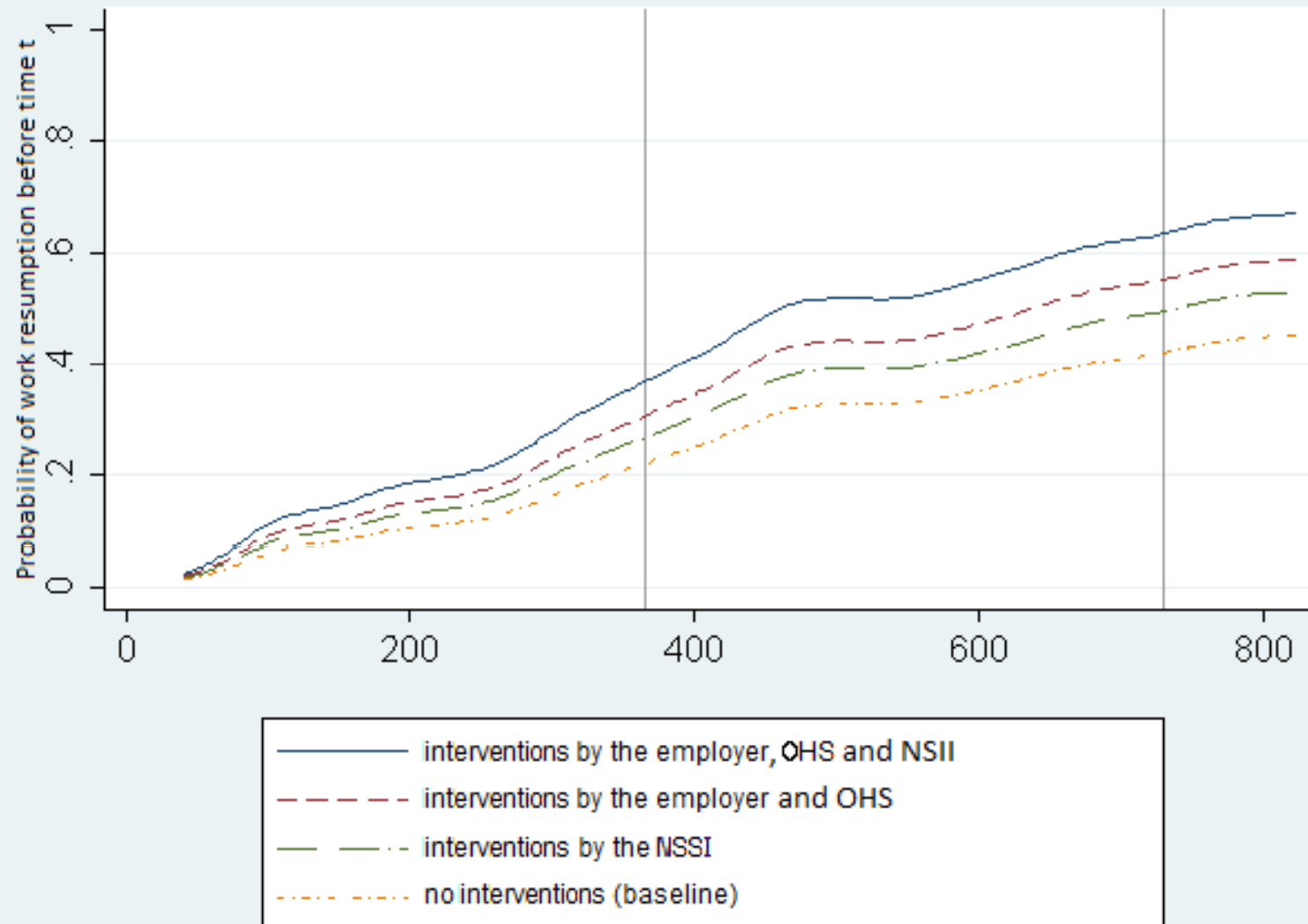
rtw trajectories of regular workers by perceived health and intervening agent



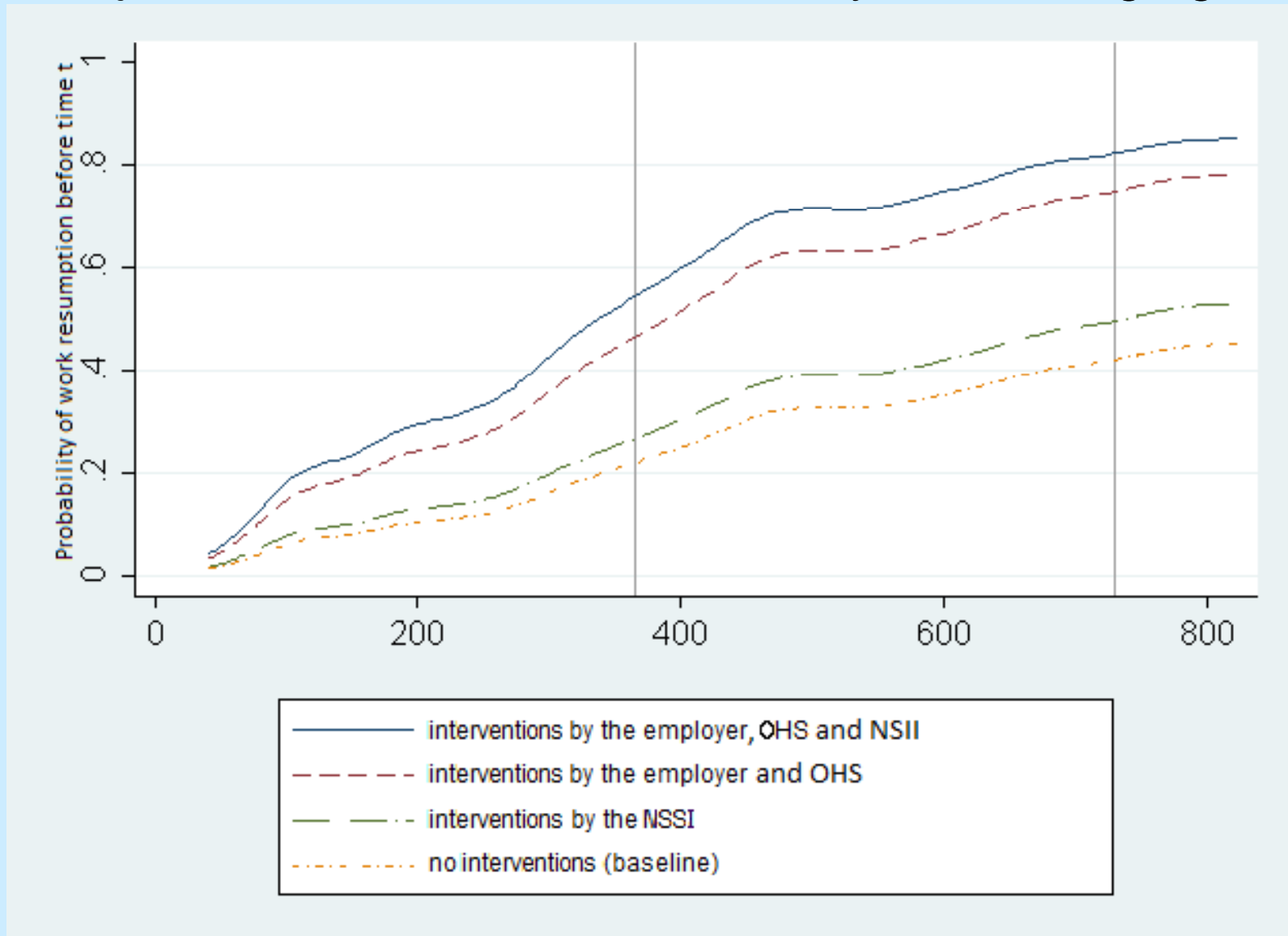
rtw trajectories of flexworkers by perceived health



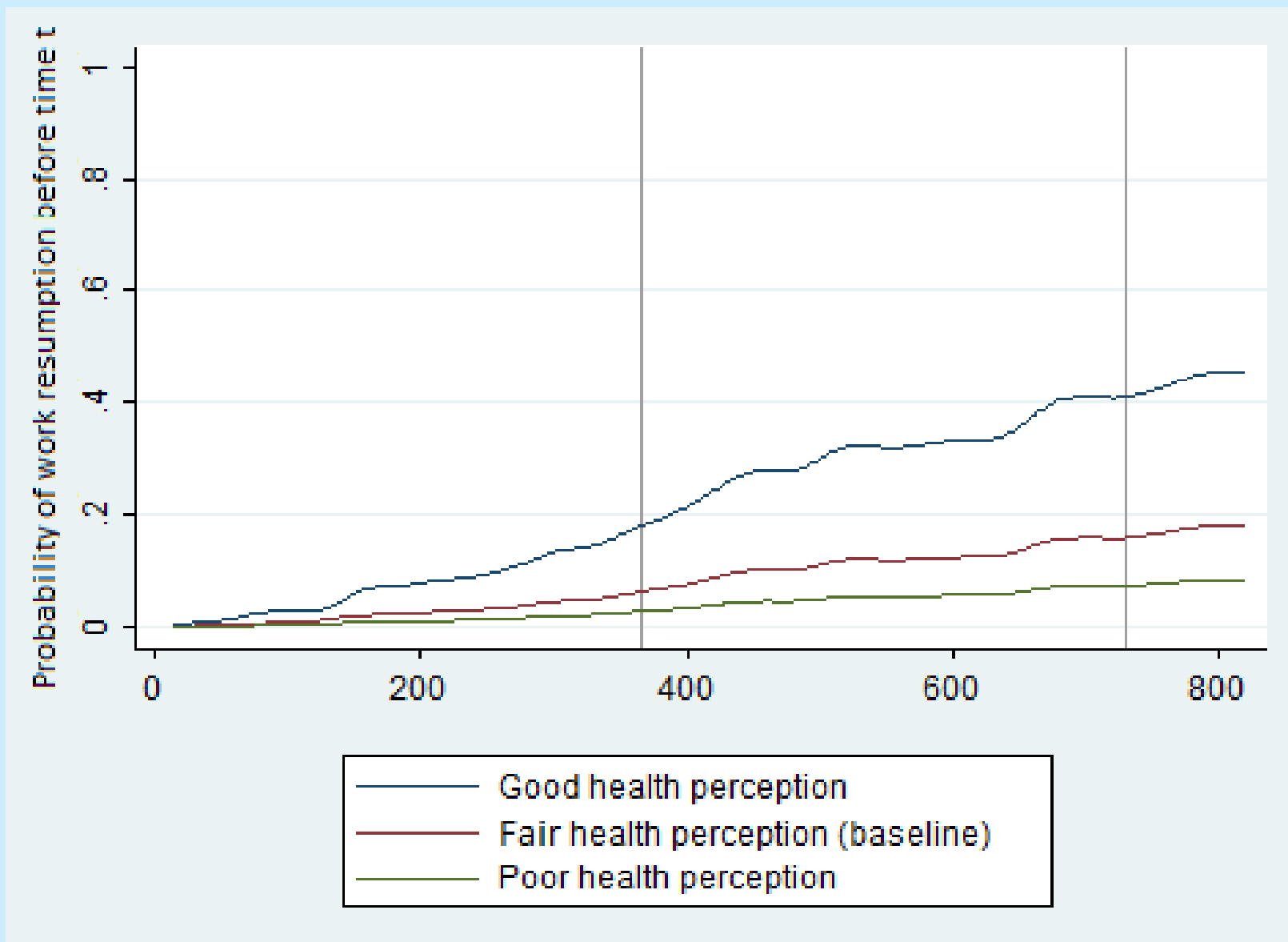
rtw trajectories of temps by intervening agent



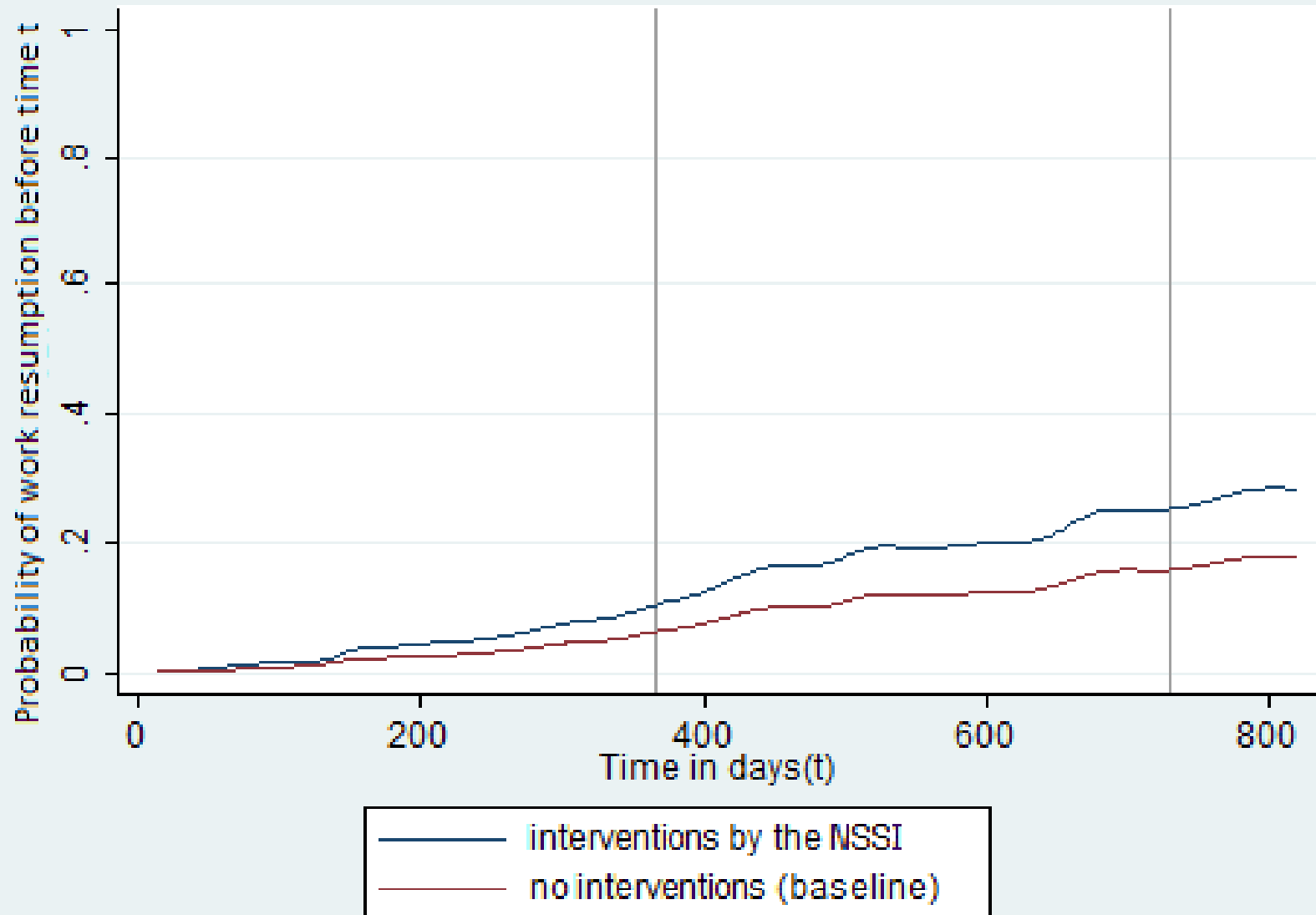
rtw trajectories of fixed term workers by intervening agent



rtw trajectories of UI beneficiaries by perceived health



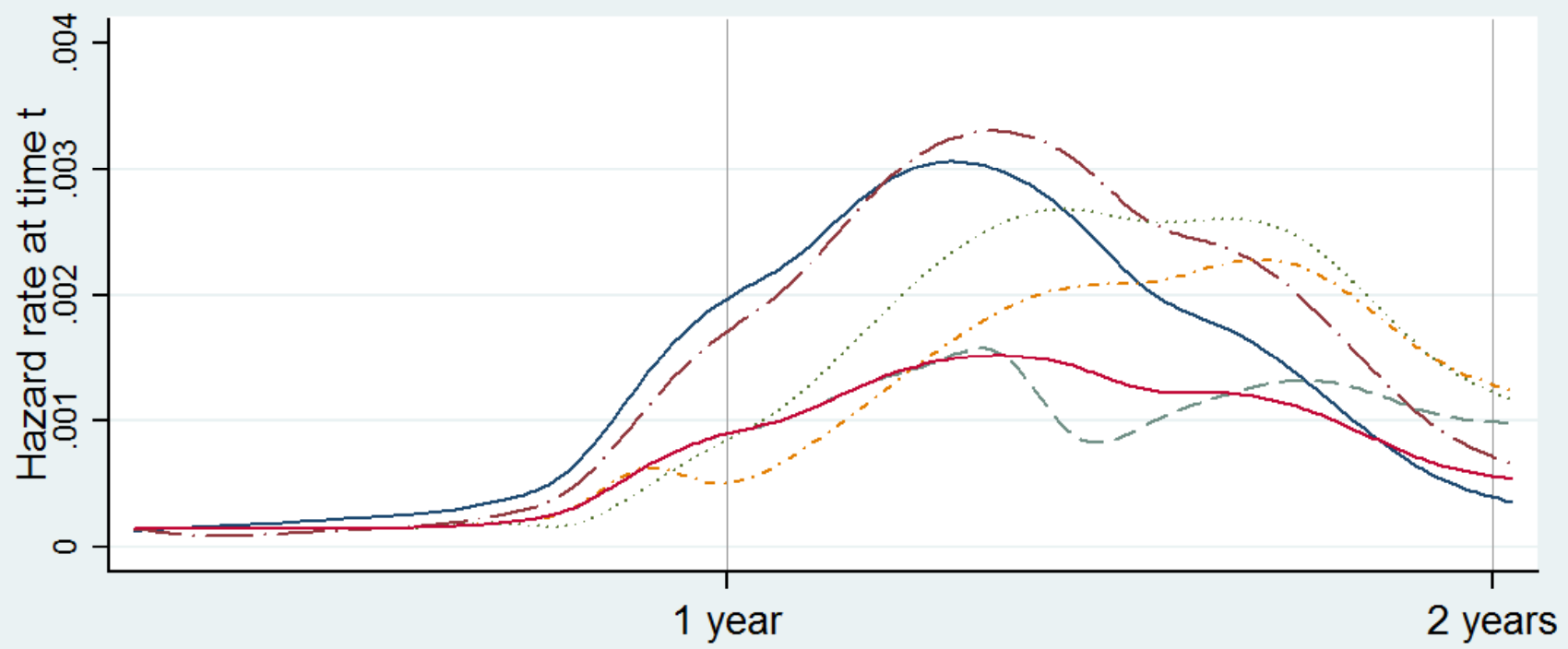
rtw trajectory of UI beneficiaries by intervention



determinants of full rtw

regular employees	flex workers
low schooling (-)	
self-perceived health is: good (++++) poor (----)	self-perceived health is: good (++++) poor (----)
rtw interventions by: other agencies (---)	rtw interventions by: other agencies (---)
	rtw plan made (+++)
partial resumption: dummy (----) duration (++++)	partial resumption: dummy (-----) duration (++++)

Hazard curves for regular employees depending on when partial rtw starts



- Immediate partial resumption/partial sickleave
- · - Partial work resumption at 100 days after sickleave
- Partial work resumption at 270 days after sickleave
- - - Partial work resumption at 350 days after sickleave
- - - Partial work resumption at 500 days after sickleave
- Baseline

conclusions 1

- rtw interventions for regular employees are substantially more effective than for flexworkers and UI beneficiaries
- more effective because of an early start with gradual work resumption and other interventions
- more effective because subjective complaints are much less of an rtw impediment than they used to be
- rtw interventions by employers have a strong effect on partial rtw
- partial rtw is an effective step towards full rtw

conclusions 2 (and policy questions)

safety-netters have lower rtw rates because:

- (eventually) they have no employer to return to
- NSII is not subject to financial and other incentives
- no job means no job protection while sick
- safety-netters are outsiders on the labor market
- are higher sickness and disability risks the price of increased flexibility?
- what incentives can be put in place for workers without an employer?