2016 SPPM THEMATIC REVIEWS

Social protection aspects of sickness benefits
Main findings and challenges highlighted during the review:

- Sickness protection for the self-employed and people on short-term contracts varies widely between countries and even within the same country, which can lead to inadequate social protection for these categories of workers, but little comparable information is available.

- There are great differences regarding the need for and take-up of sickness benefits in terms of gender, age, occupation and socio-economic status. Women take sickness leave more often than men. Age influences the frequency and length of sickness absence: for younger workers absence is more frequent but primarily short-term, while for older workers the opposite is the case: rarer absences but more often long-term. The more physically-demanding the occupation and the lower the socio-economic status, the more sickness absence is observed.

- In the case of long-term illness sickness benefit schemes are often closely interwoven with disability and early retirement pensions. An overall assessment of sickness benefit schemes will therefore also have to take account of the complex interrelations between these categories of benefits.

- While ‘a quick return to work’ presumably would be one of the key short-term goals of social protection in case of absence due to illness, there is often a need for comprehensive rehabilitation and reinsertion programmes which are not common practice, to address long-term goals.

- Sickness benefit schemes have been subject to reforms in almost all Member States over the past two decades. Eligibility criteria for both sickness and disability benefits have been tightened in almost all countries. At the onset of the financial and economic crisis in 2008, some typical effects included (longer) waiting periods and reduced replacement rates, a shift from government administered sickness benefits to sick pay with a view to involving employers more closely in the monitoring of workers, and thereby reducing abuse.

- The fiscal sustainability of sickness benefit schemes depends on how costs are shared between employers and the social security system. Often reforms have adjusted the relative share born by employers. Some times with the aim of lowering non-wage labour cost for companies. Other times to contain public expenditure. Generally, the number of beneficiaries and level of expenditure have steadily decreased over the past two decades as the result of reforms and crisis pressures.
The long-standing challenge of absenteeism has during the crisis been paralleled by an increasing problem of presenteeism - i.e. the phenomenon of going to work while being in poor health, for fear of losing ones job.

There are new challenges from stress-related mental disorders (burn-out, difficulties in the transition youth-adulthood, etc.). Their incidence has significantly increased during the past decade and can also impact on general physical health.

Sick leave and sickness benefit are there to allow people a timely access to treatment and recovery - in the interest also of public health - and a quick return to work – in the interest also of productivity and employment - while ensuring a reasonable measure of income maintenance.

Sickness benefit programmes often form part of the social protection aspects of health systems. The pressure on sickness benefit also depends on the success of health promotion and illness prevention policies including health and safety at work and in relation both to somatic and mental health. Mental disorders such as burn-out present an increasing challenge.

Though all employed are exposed to the risk of having to be absent due to illness the access to and quality of social protection may differ between blue and white collar workers, civil servants, categories of self-employed and people employed on non-standard contracts. Often access and quality may be inversely related to the need for protection.

There is a growing need to re-orient systems from a “passive” to an “active” social protection approach, where policies become focussed on returning people to work and minimising the extent to which long-term sickness absence leads to permanent labour market exit.

Possible areas for further work:

- Developing a common framework and a set of common indicators on sickness benefit policies, which takes into account national systems;

- Organising peer-reviews on good practises in social protection for sickness absence from work, including on issues such as how to deal with the challenges from mental disorders, absenteeism, presenteeism, rehabilitation and re-insertion etc.

- Ensuring that future studies, including in work on health systems by the Commission and the OECD, cover sickness benefit systems.