

Peer Review on 'Work-capacity assessment and employment of persons with disabilities'

# Economic and legislation obstacles for labour market integration of persons with disabilities

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# LDDK

Together with the Free Trade Union Confederation of Latvia, LDDK is the social partner to the government

**MEMBERS OF LDDK  
EMPLOY**

**44%**

**of all employees in  
Latvia**

**LDDK MEMBERS**

**63**

**industrial and regional  
business associations**

**LDDK MEMBERS**

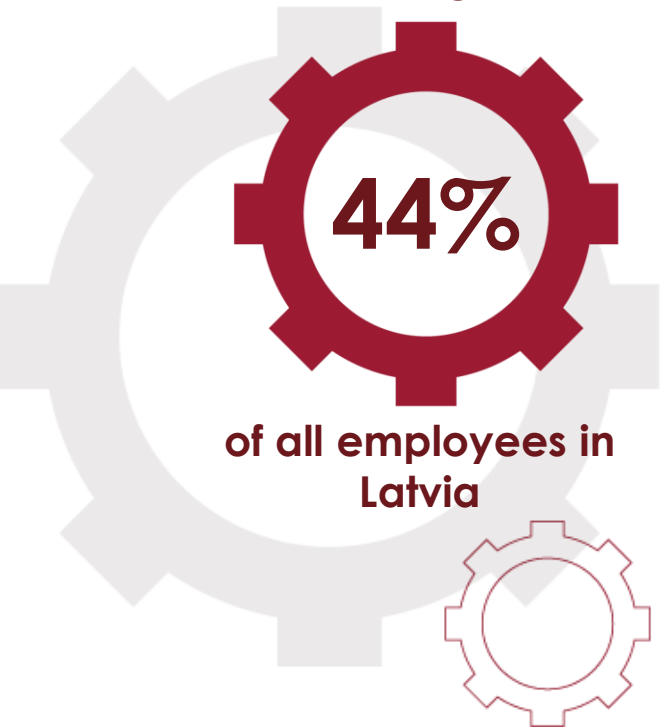
**114**

**industry leaders**

**ANNUAL TURNOVER OF  
MEMBER COMPANIES**

**40**

**billion euros**



# Mission

- Create an environment that supports entrepreneurship in Latvia
- Facilitate the competitiveness of companies
- Represent employers in the framework of social dialogue at the national, EU and international level



# Persons with disabilities integration in Labour market

# Interest of society

Interest of society that **all participate in economic activity**

Less social **exclusion, inequality, poverty**

## Higher GDP growth

According National development plan 2014-2020 target: to promote potential of those who lived in social care institutions, especially for people with disabilities, **to offer work possibilities** according their ability to participate in labour market



# Economic obstacles

**Functional obstacles** (problems of health, physical dysfunctions, necessary preventive activities)

Working **environment improvement expenditure**

Risk of **low/er productivity** (periods of incapacity, profit can be lower than minimum wage)

Need **for assistant's services**

Need for **education of colleagues** about needs of persons with disabilities



# Need for support

Support should be provided through state.

Support types:

1. Subsidies for adjustment of workplaces;
2. Subsidies for compensation of insufficient productivity;
3. Ensuring assistant's services for person with disability;
4. Compensation of health insurance costs;
5. Compensation of expenditure of related transportation costs to work and from work etc.



# In state support can be implemented through employers

**Quotas** for persons with disability in companies

**Duty of employers to adjust workplace according** needs of person with disability (in Latvia duty of employers are in Labour law Section 7 :

“(3) In order to promote the adoption of the principle of equal rights **in relation to disabled persons, an employer has a duty to** take measures that are necessary in conformity with the circumstances in order **to adapt the work environment** to facilitate the possibility of disabled persons to establish employment legal relations, fulfill work duties, be promoted to higher positions or be sent for occupational training or the raising of qualifications, **insofar as such measures do not place an unreasonable burden on the employer”**



# Limitations for employers

Labour Law Section 109. Prohibitions and Restrictions on a Notice of Termination by an Employer

**An employer is prohibited from giving a notice of termination of an employment contract to an employee who is declared to be a disabled person**, for example in cases:

1. an employee who previously performed the relevant work has been reinstated at work;
2. the number of employees is being reduced;
3. the employee does not perform work due to temporary incapacity.



# Restrictions lead to employer's caution

Each of these situations can **cause more or less problems for the employer**, however, in practice most employers have encountered situations where the nature of the work and changes in its size require **a reduction in the number of employees**, in addition, a person with a disability has been employed in **a position that is no longer needed**.

On the other hand, it is impossible to create a suitable work place for a given person with a disability, or if such an establishment would impose a **disproportionate burden on the employer**.

In these cases- **only solution for dismissal: bring action to court.**



# Sick pay in time of incapacity

According Law On Maternity and Sickness Insurance:

- 1. sick pay** - income earned in paid labour **that the employer pays to an employee** from the wage fund in case of his or her incapacity
- 2. An employer has a duty to pay sick** pay from his or her resources to employees who have incurred temporary incapacity for work

With regard to disability, situations where the basis of disability is associated with a markedly **changing course of the disease** - periods of exacerbation and remission are problematic. In these situations, the employer **must seek a replacement and also pay sick pay.**



# Proposals

- **To remove prohibitions and restrictions** on a Notice of Termination by an Employer (Labour Law Section 109) and keep preferences for Continuing Employment Relations in Case of Reduction in the Number of Employees (Labour Law Section 108)
- **To pay sick pay for period of incapacity** of persons with disabilities from social budget starting from first day (as in cases person takes care of sick children)
- **To provide tax initiatives for employers** to cover low/er productivity of persons with disabilities











# Thank you!

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