Work incapacity in a cross-national perspective

A pilot study on arrangements and data in six countries

R. Prins
T.J. Veerman
S. Andriessen

Netherlands Institute for the Working Environment NIA

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Postbus 16400, 2500 BK 's-Gravenhage
Telefoon 070-3 61 40 11. Telefax 070-3 63 23 38

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Preface

In the Netherlands the volume of short-term and long-term work incapacity has shown a considerable increase in recent years. Total expenditures for sickness benefit scheme and the invalidity pension programmes have grown to a considerable share of Gross Domestic Product. In order to evaluate the Dutch situation more properly, the Netherlands Institute for the Working Environment (NIA) has been commissioned by the Minister of Social Affairs and Employment to conduct a six-country study into this subject matter.

The inquiry aimed at the comparison of relevant benefit programmes and data sources in order to explore whether a methodologically sound basis could be found for a quantitative comparison of work incapacity rates and developments.

This report should be considered as a feasibility study. It presents the results of our explorations into the formal-legal context of temporary and permanent work incapacity. Furthermore, conceptual and administrative issues as well as statistical conditions in each country have been examined, to allow a decision on a valid comparison of work incapacity levels and developments in our countries under study.

The authors of this report are very grateful to all those experts in Belgium, Denmark, France, Germany, the United Kingdom, and also the Netherlands, who were very cooperative and made this inquiry possible. In each country informants from governmental departments, social security bodies, research institutes and statistical bureaus were so kind to provide indispensable material, first-hand information and useful advices. A special acknowledgement is due to those institutes and experts who provided valuable feedback on the draft descriptions we made on the arrangements and data sources in their countries.

For crucial assistance in assessing potentials and methodological restrictions of available cross-national statistical sources, we are particulary thankful to Mr. G. Thomas (Eurostat, Luxemburg), Mr. J. Blackwell (OECD, Paris), and Mr. C. van Paridon (WRR, The Hague).

Clearly the views expressed and conclusions drawn in this report are in the responsibility of the authors only.

PART I

Arrangements and Data in a comparative perspective

Chapter 1 Introduction

1.1. Background to the inquiry

In the Netherlands the government, social partners as well as social security organizations show a considerable concern on the level and development of expenditures for temporary and permanent work incapacity. In the private sector, it is estimated in 1990 about 9.1 percent of working time has been lost due to temporary incapacity (illness, injury, infirmity, maternity leave). For 1990 this implied income transfers through sickness benefits of about DFL 10 billion. In the Netherlands one year of work incapacity (sickness benefits payment) is a qualifying condition to invalidity pension award. Until recently the number of disability benefits recipients has been rising appreciably: at the end of 1990 about 882,000 persons received disability pensions for partial or full disablement. This figure corresponds to over 13 % of the insured population. The expenditures involved amounted to DFL 23.8 billion in 1990. Expenditures for the combination of both social security programmes (sickness and invalidity) rose to about 7.6% of national income in 1990 (SVr, 1991).

These figures and developments not only raised questions regarding the macro-economical consequences of growing public expenditures. Also from a socio-political and health-oriented point of view high sickness absence and disablement rates gave rise to concern. In due course the question arose whether we are confronted with an unique Dutch situation, or with a phenomenon also observed in other countries. In order to evaluate the developments indicated above we need some valid comparisons with other Westeuropean nations, which are comparable regarding the high development of their economical system and social security programmes.

A first inspection of available studies and sources indicated that certain aspects of work incapacity have already been studied from a cross-national viewpoint. Several publications show comparisons of legal and financial aspects, and expert groups exchanged system descriptions, statistics and experiences on important issues as eligibility, rehabilitation, etc. (cf. ISSA, 1981; Zeitzer and Beedom, 1987; Rehabilitation international, 1989). Also regularly two extended comparative overviews are being published on the contents and organization of relevant social security regulations in most countries (cf. Commission of the European communities, 1989; U.S. Department of Health and Human Services, 1990). However, international statistics or cross-national quantitative studies, showing valid comparisons

of the level and developments in work incapacity and disablement rates, are quite rare and show considerable restrictions (cf. Haveman et al, 1984; Prins, 1990).
Although being fragmented, available sources indicate that, compared to the Dutch situation, rates for temporary and permanent work incapacity are lower in most other European countries.

In order to obtain a better insight into the Dutch situation vis-à-vis other countries, the "Nederlands Instituut voor Arbeidsomstandigheden NIA" (Netherlands Institute for the Working Environment) has been commissioned by the Minister of Social Affairs and Employment to conduct an international investigation into this subject matter. In consultation with the Ministry it was decided to include the following countries: Belgium, Denmark, France, Germany, the Netherlands and the United Kingdom.

1.2. Central questions underlying the study as a whole

The basic question underlying this report is the need to examine in a systematic and comprehensive way the scale, nature and background of differences in temporal and permanent work incapacity between the working age populations in the Netherlands and selected Westeuropean countries. This central problem comprises several themes and sub-questions, which refer to various aspects and levels of our problem:

a. Which similarities and differences can be found regarding the level and development of work incapacity in the Netherlands and selected countries?
b. To what extent can differences be attributed to variations in:
   - health status and "supply" of workers with reduced health in the populations of insured?
   - contents and operation of relevant income replacement programmes (e.g. work incapacity concept applied, populations covered, qualifying conditions, administrative organization)?
c. Are preventive measures and the delivery of rehabilitation services included in income replacement arrangements or provided by social security institutions in other countries, and what is known about their effects on work incapacity rates?

It will be clear that an answer to all these questions will require an extended and complicated inquiry, in which will be leaned heavily upon a variety of expertise and sources in each

country. However, it is well-known that cross-national investigations often are faced with many restrictions as to availability of valid and comparable information on the subject under study. Consequently, we have to start our inquiry with a pilot study, concentrating on the first question, in order to provide sufficient information for the decision whether or not to extend our efforts to the second and third questions. This report contains the results from the pilot study.

1.3. Objective of this pilot study

For each country an insight into the level of both short and long-term work incapacity in the working age population is heavily affected by available income support arrangements, eligibility criteria, statistical conventions, etc. Consequently, categories of employed with reduced health or disabling conditions e.g. may qualify for invalidity pension in one country, whereas in an other country a similar category of claimants does not qualify and is forced to continue engagement in productive employment. Obviously, in each country a specific set of standards is applied which demarcates the persons with a handicap or disabling condition to be classified and compensated as disabled (Haveman & Halberstadt, 1983).

Consequently, international variations reflected in social security statistics on our subject have a restricted validity. Differences may be attributed to non-comparability of definitions and measurements, but they also may be due to cross-national variations in the proportion of the working age population with health restrictions.

In order to obtain a valid insight into the feasibility of a valid cross-national quantitative comparison, it was decided to start the inquiry with an explorative study into the legal and administrative framework, as well as available statistics on the subject in each country selected. The main questions to be answered in this exploration are:

a. Which social security arrangements are applied regarding temporal and permanent work incapacity (e.g. income replacement, prevention, rehabilitation)?
b. Which quantitative data sources are available on work incapacity and related arrangements for temporary or permanent withdrawal from the labour market?
c. In how far can a valid standard of quantitative comparison be found (or constructed) and in which ways is further comparison of work incapacity across the six countries possible?

The quantitative information on work incapacity (question b) is considerably affected by the social security context of the phenomenon in each country (question a). Legal and supra-legal income replacement arrangements, as well as the procedures of the administrative organization and institutions affect the figures provided by accessible data sources.

Thus, our description of arrangements will include as primary targets arrangements covering:

a) *sickness*: cash benefits for temporary work incapacity attributed to illness, infirmity and (non-occupational) injury;
b) *occupational injury or disease*: short-term benefits as well as pensions on a permanent basis in case of occupational accidents and selected work-related diseases;
c) *invalidity*: income replacement in case of long-term or permanent (full or partial) loss of earning capacity due to illness, injury, impairment, etc.

Not only variations in definitions, qualifying conditions and assessment procedures or statistical reporting habits affect the comparability of statistics and research outcomes in a country. Also the availability of alternative ways to leave the labour market may restrict the number of disabled in the working age population. Substitute arrangements available in most countries which have to be regarded in particular are early retirement provisions and unemployment schemes. Such arrangements may include persons with deteriorated health status, and may thus cover up some "hidden work incapacity".

An other category of relevant provisions to be included in our inventory are specific employment measures for persons with disabilities. The extent of application of sheltered work shops as well as compulsory job protection for handicapped also may affect the levels of work incapacity and interpretation of statistics on this subject.

This complexity makes us aware, that as a first step a wider range of arrangements should be included, to cover our subject adequately. Consequently, our study cannot restrict to the income maintenance programmes listed above. We will also take into account these alternative arrangements and provisions, in as far as they serve as an alternative for persons with restricted health who possibly would not qualify for work incapacity benefits:

d) *unemployment* schemes;
e) *flexible or early retirement* arrangements;

f) programmes providing *benefits and services for handicapped individuals* (irrespective of their earning capacity), to protect and improve their labour marketposition (rehabilitation).

This pilot study provides an extended and recent insight in the social security context of persons with temporal and permanent work incapacity in the six countries under study. Its main goal is not policy-oriented, but merely focused on methodological issues. The study is primarily explorative and serves as a feasibility study for a further quantitative comparison across countries. Concepts, benefits and other arrangements as well as available statistical sources will be examined to ensure whether a common basis for further comparisons can be found.

In consultation with the Ministry finally a few choices have been made to demarcate the scope of the inquiry.

Firstly, as mentioned before, the *selection of countries* to be included in the inquiry was restricted to five (besides the Netherlands): Belgium, Denmark, France, Germany, and the United Kingdom have been included. They vary considerably regarding work incapacity arrangements and additional programmes, and we expected or knew to have sufficiently valuable information available. Secondly, the inquiry was not intended to cover all categories of the working population in a country and their levels of work incapacity. The comparison will be restricted to two major sectors, namely *employees* in the private sector as well as those in the public sector (civil servants). Self-employed thus fall outside the scope of the inquiry.

Finally, due to the Dutch arrangements (where disablement benefits are rewarded after a waiting period of one year of work incapacity), *both temporal and permanent work incapacity arrangements* are included in our study. However, as the major part of work incapacity rates consists of long-term (possibly permanent) incapacity, our main attention will be focused on long-term invalidity and not so much on short-term, temporary sickness lasting maybe days or weeks only.

1.4. Research strategy

Cross-national *equivalence of concepts and measurements* is a major condition for valid comparisons. Consequently, this pilot study is to be directed firstly at a sufficient insight in income replacement programmes, directly or indirectly relevant for employees with restricted health. The descriptions of these arrangements not only inform about the wider context of work incapacity in a country. They also cast light on the "system-bound" peculiarities and limitations of accessible statistical information. So subsequently our interest can be concentrated on prevailing data sources, methods of measurement, incongruities, etc.

These two objects of comparison - *arrangements* and available *data* - will subsequently be dealt with in this study. For both, a research strategy will be applied, which proved to be fruitful in earlier cross-national inquiries carried out by researchers situated in just one of the countries included.

In the study of relevant *arrangements* firstly a list of major elements was composed to allow a systematic and comprehensive description of national arrangements. Main dimensions covered - constituting the basic framework of the descriptions given in Part II of this report - are:

1. Basic elements (e.g. coverage, definition of work incapacity);
2. Cash benefits (e.g. level, duration of payment);
3. Qualifying conditions (insurance period, minimum loss of earning capacity required, etc.);
4. Sources of funds (financial basis);
5. Programme operation (e.g. carrier, claim initiative);
6. Prevention and rehabilitation measures applied, within the programme or as a separate arrangement or provision;
7. Major data sources (available statistics etc.).

In a second stage this descriptive framework was filled in with basic information originating from:

- international overviews and publications;
- literature obtained from governmental and social security bodies in a country, as well as international agencies;

- (telephone and face-to-face) interviews with local researchers, social security officials, and experts from international organizations.

Finally, our preliminary descriptions were sent to some informants in the countries under study for feedback in order to guarantee that our overviews would be adequate and recent, and our conclusions competent.

For our inquiry on *quantitative data sources* on the health status, disabling conditions and numbers of disabled, our field work was structured in a similar way. Main interest was to obtain a sufficiently valid insight in available data, their intrinsic quality and their potential for adjustment to allow comparisons. Furthermore, indicators on the underlying phenomenon of reduced health in the working age population had to be detected (from surveys, etc.). This part of our inquiry deals with major aspects as the equivalence of concepts, indicators and populations, as well as the reliability of basic data sources and specificity of information (categories and characteristics measured). So we started with the construction of an "information checklist" comprising various aspects of statistical data, in order to ascertain whether a standard of comparison could be found in due time. Items included regarded:

- the demarcation of the populations covered in statistics published;
- population characteristics measured (e.g. demographic and economic characteristics);
- definition of types of benefits recipients covered;
- restrictions of data (coverage, recency, etc.);
- definition and measurement of ratios applied (e.g. financial, epidemiological rates).

Subsequently, several publications containing statistical information on work incapacity as well as related programmes were requested and examined.

Finally, with considerable help and cooperation of local and international experts on statistics an overview could be made of available data sources and their restrictions (completeness, extendedness, recency). Interviews proved to be indispensable to ensure a minimal validity of our conclusions on comparability and accessibility. Nevertheless, our conclusions still should be interpreted with caution, as probably not all available data sources in a country have been fully known by our experts.

1.5. Plan of the report

We have divided our report in two parts. Part I contains the outcomes and conclusions on programmes, data sources and the direction for further research.

Chapter 2 provides an initial frame of reference by contrasting some cross-national comparative figures on labour forces, labour market participation, early retirement, etc. It indicates that the countries selected show many similarities regarding several socio-economic characteristics.

In order to become acquainted with the social security situation in each country, major dimensions of the relevant income replacement arrangements in the six countries are outlined in Chapter 3.

The next Chapter deals with the social security context of work incapacity and gives a first analysis of our findings. Comparisons are made on major work incapacity programmes and additional arrangements. It gives an overview of similarities and differences in the compensation of work incapacity across countries (due to sickness, injury, invalidity). Also those additional arrangements are contrasted that affect the labour force participation, namely early retirement programmes, unemployment insurance as well as rehabilitation and employment provisions.

Chapter 5 casts some light on programme-bound restrictions and comparability problems of available national and international data sources. Three options for a comparative research strategy are discussed in the light of existing data conditions in our countries under study. Finally, in chapter 6 conclusions are drawn on the prospects and strategies for further cross-national research on work incapacity levels. Vis-à-vis methodological and statistical restrictions for four research questions the lines of further research have been outlined.

Part II of this report (Arrangements and data sources on work incapacity) comprises the full descriptions of relevant arrangements and data sources on our subject matter in the countries included. They give a detailed and recent overview of the contents and operation of relevant income replacement programmes as well as related arrangements (unemployment, early retirement) and provisions (e.g. rehabilitation). Also available data sources related to these programmes are identified and described.

Chapter 2 Some key figures on the countries under study

2.1. Introduction

In this chapter we present some indicators on relevant dimensions of our subject, especially on labour force and social security issues. These may serve as a frame of reference to become acquainted with the countries under study, before we go into the details of this inquiry. This information also may have a heuristic function: it may provide hypotheses and make us aware of potential factors and processes that account for the cross-national differences we are interested in.

Firstly, we present some core figures on populations, age distributions, and employment structures, which are based on European Community statistics. Then, a closer look is taken at common elements and differences in labour market participation and activity rates in our countries, including an overview of unemployment rates and working time arrangements. Both in activity rates and in actual working time the Netherlands are known to show rather low figures.

Subsequently some hypotheses on possible backgrounds for these cross-national labour participation differences are discussed. One cause may be the differences in the level of sickness absence and the number of disability pension recipients between countries. To that end some international figures, which have a very crude nature, will be compared. Also unemployment rates, early retirement provisions as well as international differences in health status might play a part. We will present some indicators from international statistical sources to cast more light on these issues. Finally, some indicators for expenditures on social security programmes (including disability benefits) are presented, which allow an impression on the relative weight of our subject in the countries included.

In this chapter we present "raw" figures derived from Dutch and international statistical sources, most of which have been taken from publications. In presenting these figures, and especially as to sickness and disability figures included in this chapter, we do not imply that these are 'solid figures' which are perfectly comparable across countries. Quite the contrary, this study is dedicated to the question of real comparability of exactly the kind of figures we present in this chapter. *Are* the sickness and disability figures, as published by national and international sources, comparable and *do* differences in figures across the countries reflect "real" differences?

Thus, this chapter is not intended as an answer to our question; rather, it is part of the question itself and may serve to illuminate methodological peculiarities. Consequently, the figures presented in the tables should be interpreted with caution.

2.2. Population and age structure

In Table 2.1, the total populations and their broad age structures of the six countries are presented. The population in the Netherlands, as compared to the other five countries under study, is relatively young. The proportion of elderly - aged 65 years and over - equals 12.4% (whereas in other countries this share ranges from 13.4 to 15.5%). Furthermore, the proportion of population in the "active ages" (15-64 years) being highest for Germany (70.1% in 1987), also is considerable in the Netherlands 68.9%, which is on the high end of the spectrum; other countries show a lower proportion.

Table 2.1 Populations and age structures, 1987

Total population (x 1.000.000) = 100 %		Percentage of population:		
		under 15	15-64	65 and over
Belgium	9.9	18.5%	67.1%	14.3%
Denmark	5.1	17.7%	66.9%	15.4%
France	55.6	20.6%	65.9%	13.4%
Germany	61.2	14.7%	70.1%	15.3%
Netherlands	14.7	18.7%	68.9%	12.4%
UK	56.9	18.9%	65.7%	15.5%

Source: Eurostat, 1990a

2.3. Employment structure

Table 2.2 offers a picture of the employment structure in the six countries, showing a breakdown of employment by three broad sectors: agriculture, industry, and services. The countries show similar structures, the employment in agriculture being under 7% and the share of the services being over 50% in all six countries. Only in Germany, the share of industry is larger than elsewhere and the weight of the services smaller.

The working population in the Netherlands is, as in other countries, concentrated mainly in the services, but to a greater extent than in most other countries under study. In contrast, the proportion employed in industry is the second smallest. The low participation of women in the Netherlands is most striking in industry: in Dutch industry, women make up only

13.8% of the working population. In most other countries about 25% of the working force in industry is female.

Table 2.2 Working populations by economic sector, 1987
(In brackets: proportion of women in each sector)

	agriculture	industry	services	total
Belgium	2.7 (22.0)	28.0 (18.8)	69.3 (46.9)	100% (39.2)
Denmark	6.4 (26.2)	26.1 (25.8)	67.6 (53.9)	100% (45.1)
France	6.9 (32.9)	30.1 (24.7)	63.0 (49.8)	100% (42.1)
Germany	5.1 (47.9)	39.7 (25.1)	55.2 (47.6)	100% (39.5)
Netherlands	4.6 (22.0)	26.6 (13.8)	68.8 (42.8)	100% (34.8)
UK	2.4 (19.6)	29.8 (24.2)	67.8 (51.5)	100% (43.1)

Source: Eurostat, 1990a

2.4. Activity rates

One reason for concern regarding high work incapacity rates is that they constitute part of the general inactivity level in the potential work force. Other parts may be unemployment, early retirement, voluntary inactivity (e.g., homemakership). As an introduction to the problem, this and following sections of this chapter will give a first insight into (in)activity rates and their financial aspects (social security expenditures on several kinds of income replacement).

Table 2.3 presents the 1987 gross activity rates in the six countries under study (i.e. the percentage of the total population being active in the labour market - either working or seeking work), as derived by Eurostat from available national statistics. Whereas the Netherlands potentially have a large active population (68.9% being aged 15-64, cf. Table 2.1), the gross activity rates show the contrary: only 40.6% of the total Dutch population is considered active. This is partly due to a very small proportion of women taking part in the labour market (cf. Table 2.2). Also in the male population, however, the Dutch activity rate is on the lower end of the scale.

Table 2.3 *Activity rates (proportion of working or unemployed in total population), 1987*

	total	males	females
Belgium	42.9%	52.1%	34.1%
Denmark	56.7%	62.5%	51.0%
France	43.3%	51.0%	35.9%
Germany	46.1%	58.5%	34.7%
Netherlands	40.6%	53.2%	28.2%
UK	49.0%	59.1%	39.4%

Source: Eurostat, 1990a

A somewhat different picture, however, can be derived if an other source from the statistical bureau of the EC is used, namely Eurostat Labour Force Survey data. These data originate from surveys regularly held in the community countries, applying a more or less common methodology across countries. The activity rates for persons aged 14 and over, as reported by the Labour Force Survey for the spring of 1988, are presented in Table 2.4.
According to these figures we may conclude that the Dutch activity rate for those aged 14 and over (55%) is not the lowest of the six, but ranks 5th - at almost the same level as France and Germany. Denmark shows by far the highest activity rate, which is in line with the data from Table 2.3. From the Labour Force Survey figures, Belgium now comes out by far lowest. However, the contrast with Belgian figures in Table 2.3 makes us cautious as to actual Belgian situation.
More generally, comparing rates from Table 2.3 and Table 2.4 makes us aware of some incongruities and underlying methodological peculiarities of data sources, which may seriously distort cross-national comparisons. Data from several sources, even if recorded by the same international office (Eurostat), sometimes prove to be ambiguous.

Table 2.4 Activity rates (persons aged 14 and over), according to Labour Force Survey 1988

	total	males	females
Belgium	47.9%	60.7%	35.9%
Denmark	67.0%	74.3%	60.0%
France	55.3%	65.7%	45.9%
Germany	55.2%	70.2%	41.7%
Netherlands	55.0%	69.1%	41.3%
UK	61.0%	72.9%	49.9%

Source: Eurostat, 1990b

2.5. Gross and net activity rates, unemployment, and working hours

The previous section was dealing with the labour forces and activity rates in a broad sense, counting both employed and unemployed persons as active, and making no distinction between full-time and part-time employment. This may be labelled the *gross activity rate (persons)*, indicating the percentage of persons within a population willing and able to work (whether actually working or not).

In some respects, one might be primarily interested in the proportion of a population actually in employment, thus disregarding the unemployed. This would result in what may be labelled *net activity rate (persons)*.

Furthermore, one might be interested in the actual hours worked by a population, instead of numbers of people. This would require to include part-time employment only partially in the activity rates. The results may be labelled *net activity rates (full-time equivalents)*, i.e., the number of full-time equivalent working years as a percentage of the relevant population.

This has been the procedure used by the Netherlands Scientific Council for Government Policy in an international comparison (WRR, 1990). The relevant figures are shown in Table 2.5, which indicates that the Netherlands show by far the lowest activity rates of the six countries. Its net, full-time equivalent activity rate is about 20% lower than the average of the other five countries. To a great extent this is due to part-time jobs being far more common in the Netherlands than in most other countries (especially among females). Nevertheless, this Table also raises some questions regarding the methodological basis of the data, especially compared to Table 2.4, the net activity rates for some countries (Belgium and Germany) being higher than their gross activity rates.

Table 2.5 Net activity rates (full-time equivalents of working population) for ages 16 and over, 1987

	total	males	females
Belgium	53	70	36
Denmark	62	74	49
France	53	68	38
Germany	60	78	41
Netherlands	47	65	26
UK	56	74	37

Source: WRR, 1990

One explanation for a low net activity rate in a country might be a relatively high level of unemployment. Table 2.6 shows unemployment rates for the six countries, as reported by Eurostat on the basis of available national statistics. Indeed these figures indicate that unemployment rates are high in the Netherlands, Belgium and France - three countries showing the lowest net activity rates (cf. Table 2.5). Strikingly, it is especially in these three countries that female unemployment is relatively high as compared to male unemployment. In the other three countries, the differences in unemployment between the sexes are not as marked.

From Table 2.6 we may also conclude that unemployment only partially accounts for the low net activity rate found in the Netherlands, as Dutch unemployment is only ranking third highest.

Table 2.6 Unemployment rates, 1988 (% of labour force)

	total	males	females
Belgium	10.8	6.8	17.1
Denmark	6.4	5.4	7.7
France	10.4	7.8	13.6
Germany	6.4	5.3	8.1
Netherlands	10.0	8.2	13.4
UK	8.7	9.1	8.2

Source: Eurostat, 1990a

As to net activity rates in full-time equivalents, cross-national differences in working time arrangements are also relevant. Survey information on weekly working time may be obtained from Eurostat's Labour Force Survey, from which Table 2.7 presents both the average

number of hours *usually* worked per week and the number of hours *actually* worked during the survey's reference week (in Spring 1988). In both respects, the Dutch work force demonstrates far the lowest average working time, as indicated above. Only Denmark comes close to the low Dutch figure for actual working hours, which is partly due to remarkably lower actual-than-usual working hours in Denmark.

Table 2.7 Average hours usually and actually worked per week, spring 1988

	hours usually worked	hours actually worked
Belgium	38.6	39.9
Denmark	36.2	34.9
France	39.5	40.3
Germany	39.3	39.9
Netherlands	33.6	34.2
UK	38.9	37.2

Source: Eurostat, 1990b

2.6. Sickness absence and disability

The main objective of this pilot study is to establish whether a valid international comparison of work incapacity figures across the six countries is feasible. This question was inspired, inter alia, by some international figures already available. According to those figures, the Dutch situation both regarding short-term incapacity (sickness absence) and long-term incapacity (disablement benefits, invalidity pensions) seems worse than in any of the other five countries. Moreover a special inquiry, satisfactorily dealing with comparability questions, showed striking differences in sickness absence rates between Belgian, German and Dutch employees (Prins, 1990).

In this section, some data from Eurostat's Labour Force Survey covering all selected countries are given. Firstly, we examine sickness absence as reported in the 1988 Labour Force Survey data. Subsequently, some data from the 1987 survey are reported regarding both invalidity pensions and other, possibly related forms of non-activity, as early retirement, homemakership, and participation in education.

From the Eurostat Labour Force Survey 1988, figures were published on absence from work due to illness or injury (Eurostat, 1990c). People having a job but having worked less then their usual working hours (including not having worked at all) during the reference week were asked to indicate the reason for this difference. Illness and injury ranked second

as reasons for absence from work (after vacation and holidays). An estimate is given of the hours lost due to illness as a percentage of hours usually worked during the reference week. These percentages for the relevant countries are presented in Table 2.8. It should be remembered that these figures cover the entire working population, including both employees, civil servants and self-employed.

Table 2.8 *Percentage of usual working hours in reference week lost due to illness and injury (spring, 1988)*

	percentage of hours lost
Belgium	0.9
Denmark	2.1
France	2.1
Germany	1.6
Netherlands	4.0
UK	2.6

Source: Eurostat, 1990c

The Dutch work force shows by far the highest percentage (4.0%) of hours lost due to short-term work incapacity (attributed to illness and injury).

These Labour Force Survey data, however, also do raise some questions regarding the validity of data which will be illustrated by figures for the Dutch situation. The Dutch percentage of hours lost due to sickness differs considerably from available national figures based on social security statistics or voluntary recording and reporting by a sample of firms. The Dutch 1988 sickness absence percentage for employees in larger firms (payroll 50 and over) was estimated at 8.5% (percentage calendar days lost), calculated on the basis of several national sources (NIA, 1990). Seasonal effects, differences in population demarcation and sampling techniques might only partly account for the striking difference with the 4% presented in Table 2.8.

Nevertheless, it is interesting to note that an other international comparison (Salowsky, 1991), delimited to workers in the manufacturing industry, shows both higher absence levels and smaller international differences than Eurostat, as is shown in Table 2.9.

Table 2.9 Estimated sickness absence percentages in manufacturing industry, 1989

	percentage of hours lost
Belgium	6.7
Denmark	5.7
France	8.2
Germany	8.5
Netherlands	8.8
UK	6.8

Source: Salowsky, 1991

Although according to this source the international differences as shown in Table 2.9 are comparatively small, here also the Dutch figure stands out highest.
This seems to be in line with figures on long-term work incapacity, in which the Netherlands also rank highest within the European community. The Netherlands Scientific Council for Government Policy, using Eurostat's Labour Force Survey data, computed non-activity due to work incapacity for ages 15-65 to be 3.4 percent of the (net, full-time equivalent) labour force, as opposed to 1.8 percent for the EC as a whole.

A more comprehensive picture of non-participation in the six countries, and of work incapacity amongst other causes of non-activity, is presented in Table 2.10. In the tables, the category "other reasons for non-activity" obviously consist largely of housewives. As work incapacity and several other forms of non-activity (especially education and early retirement) is strongly related to age, this table is broken down into three age groups.
As may be expected, in the lowest age group (14-24) inactivity caused by invalidity is only marginal. Participation in initial education here is the main category, explaining most of the international differences in inactivity rates in this age group. The Dutch inactivity rate at these ages falls neatly in between Belgium and Denmark as high and low extremes.
In the intermediate age group (25-54), "other reasons" (mostly containing homemaker-ship) is the dominant category of inactivity. In these ages, the Dutch inactivity rate is highest among the six countries, which indeed is due to a high proportion of "other reasons" (housewives) and not to high invalidity percentages.

Table 2.10 Labour force participation and reasons for non-participation by broad age groups, 1987

	B	DK	F	G	NL	UK
Ages 14-24						
Total	100%	100%	100%	100%	100%	100%
- Working	30	64	34	52	47	55
- Unemployed	8	6	11	4	10	11
- Inactive	62	30	55	44	44	35
- invalidity pension	**0.6**	**0.5**	**0.0**	**0.0**	**0.3**	**0.4**
- initial education	57.9	25.7	48.2	39.8	39.9	27.6
- early retirement	0.0	0.1	0.0	0.0	0.0	0.0
- others	3.1	1.6	6.0	3.9	3.2	6.5
- not declared	0.3	1.6	0.9	0.6	0.4	0.5
Ages 25-54						
Total	100	100	100	100	100	100
- Working	68	85	76	72	68	74
- Unemployed	7	5	7	5	6	8
- Inactive	24	10	17	23	26	18
- invalidity pension	**3.1**	**3.5**	**0.0**	**1.1**	**2.5**	**2.5**
- initial education	0.6	1.3	0.4	1.9	1.6	0.6
- early retirement	1.6	1.5	0.5	0.7	0.0	0.1
- others	18.5	2.2	15.1	18.4	21.2	13.8
- not declared	0.3	1.8	1.0	1.0	0.7	0.7
Ages 55-65						
Total	100	100	100	100	100	100
- Working	22	51	32	38	29	47
- Unemployed	1	3	3	3	2	5
- Inactive	77	45	65	59	69	49
- invalidity pension	**7.2**	**14.8**	**0.0**	**5.9**	**13.2**	**11.2**
- initial education	0.0	0.0	0.0	0.1	0.0	0.0
- early retirement	41.2	27.8	39.5	25.7	10.5	17.6
- others	28.8	1.7	25.7	26.8	45.2	18.9
- not declared	0.0	1.2	0.3	0.7	0.2	0.8

Source: Eurostat, Labour Force Survey 1987;
unpublished data made available through WRR.

In the older age group (55-64) inactivity is the dominant state of affairs, covering over half of the population (only Denmark showing just over 50% in these ages active in working life). Major reasons for inactivity are early retirement, "others" (homemakership), and invalidity pensions. The Dutch case is clearly different from the other five, not so much

because of high inactivity (although it ranks second highest in this respect), but because of the reasons: "other reasons" are very frequent, early retirement is much less common in the Netherlands than in other countries, and invalidity pensions are comparatively frequent (although Denmark scores higher at invalidity pensions).

Also Table 2.10 raises some questions on national figures as derived from the Labour Force Survey. For example, for France no invalidity pensions are reported, whereas there certainly exists an invalidity pension scheme in that country (cf. Chapter 3); are these pensions maybe counted as "retirement" (scoring remarkably high in France)? If so, might not the same contamination to some degree apply in other countries as well?

2.7. Health status indicators

One cause of cross-national differences in sickness absence rates and numbers of invalidity pensions might obviously be a corresponding difference in health status of the populations. Unfortunately, internationally comparable health interview survey data do not exist (cf. Chapter 5), and as yet a valid insight into cross-national morbidity differences is not available. As a crude approximation, we will present recent standardized mortality rates for the six countries under study. As Table 2.11 shows, the Netherlands and France are on the lower side of the EC average, and the other four countries on the higher side.

Table 2.11 Age-standardized mortality rates, 1980-1984, relative to EC-standard (EC-average = 100)

	standardized mortality rate
Belgium	107
Denmark	103
France	92
Germany	105
Netherlands	92
UK (England & Wales)	106

Source: Mackenbach, 1989

Of course, mortality rates indeed are only a crude approximation of morbidity. In fact, a large proportion of disability pensions in the Netherlands is associated with non-fatal diseases, as 'mental disorders' and 'diseases of the musculoskeletal system' (Prins, 1990). Nevertheless the mortality rates do not suggest that the Dutch population at large suffers from an inferior health status as compared to the other five countries. Thus, health status

differences do not seem to offer a satisfying explanation for cross-national differences in work incapacity.

2.8. Social security expenditures

In the previous sections, emphasis has been placed on labour market participation, or on inactivity, as expressed in numbers of persons or in working time lost. We may enlarge our view of the Dutch situation vis-à-vis other countries by analyzing financial aspects. Are the international differences in labour (non)participation, as presented in the previous sections, reflected in corresponding differences in social security expenditures?
Table 2.12 presents the overall social security expenditures as percentages of the Gross Domestic Product (GDP). In all EC countries, these percentages have been increasing in the '70's. This increase has been steepest in the Netherlands, resulting in this country ranking highest within the EC as from 1980. The highest level was reached in 1983, both in the Netherlands and in several other EC countries; this peek year has therefore been included in Table 2.12. After 1983, social security expenditures relative to GDP have slowly fallen in all six countries, but steepest in the Netherlands. Nevertheless, also in 1988 the Netherlands showed the highest level of social security expenditures, when expressed as percentage of GDP.

Table 2.12 Gross Social security expenditures 1970-1988, as percentages of Gross Domestic Product

	1970	1975	1980	1983	1988
Belgium	19	24	28	31	29*
Denmark	20	26	29	31	29
France	19	23	26	29	28
Germany	22	30	29	29	28
Netherlands	21	27	30	34	31
UK	16	20	21	24	24*

* 1987
Source: Ministerie van Sociale Zaken, 1990

The proportion of GDP devoted to income replacement for unemployment, disability (including work injuries) and old age pensions was also highest in the Netherlands, as Table 2.13 indicates. The relative share of expenditures was remarkably high for disability, and low for retirement (because of a young population).

Table 2.13 Social security expenditures on income replacement for disability[a], old age and unemployment, and total expenditures, as percentages of GDP, 1988 (in parentheses: relative shares)

	Disability	Old age	Unemployment	Total
Belgium	3.0[b] (20)	8.5[b] (57)	3.4[b] (23)	14.9[b] (100%)
Denmark	2.7 (16)	10.2 (61)	3.7 (22)	16.6 (100%)
France	2.3 (16)	10.0 (71)	1.8 (13)	14.1 (100%)
Germany	3.5 (27)	7.7 (59)	1.9 (14)	13.1 (100%)
Netherlands	6.0 (35)	8.2 (48)	3.0 (17)	17.2 (100%)
UK	2.3[b] (19)	8.3[b] (67)	1.8[b] (15)	12.4[b] (100%)

Source: Ministerie van Sociale Zaken, 1990, based upon Eurostat, 1990e

[a] These include social security expenditures for invalidity pension schemes and benefits for occupational injuries/occupational diseases.
Benefits for income replacement regarding (temporary) sickness absences can not be separated from other health care expenditures in most countries, and are therefore excluded form this table.

[b] 1987

On the basis of similar figures, Aarts & De Jong (1990) state that these data "suggest the existence of a certain trade-off between the programs listed. Across the selected countries, similar individuals seem to be covered by different schemes depending on nationally varying definitions of the risk of unemployment, disability and old age".

2.9. Conclusions

From the available statistical figures presented in this chapter, both similarities and differences between the six countries under study may be noted. Similarity and difference, of course, is largely a matter of degree: small-scale differences may appear as similarities on a larger scale.

Similarities in a broad sense may be summarized as follows. In all six countries, about two-thirds of the population falls within the potentially "active ages" of 15-64. Between half and two-thirds of the grown-up population is active in the labour market, albeit during varying weekly working hours. In all countries, over half of employment (and typically even over 60 percent) is concentrated in the services, whereas under 10% of employment is situated in agriculture.

Social security programmes, largely designed to secure income replacement for the non-active population, comprise 28-31% of Gross National Product (the UK, with 24%, excepted); in all countries, this percentage has been rising during the '70's and peaked around 1983, decreasing somewhat from the mid-80's.

Within this common framework, some differences are obvious too. We concentrated mainly on activity rates in these countries, the reasons for inactivity, and the financial consequences for social security expenditures. The following points are worth noting:

a. Activity rates may be computed in several ways (gross or net, in persons or in full-time equivalents); in most computations, we find the Netherlands on the low end of the activity scale (somewhat in "competition" with Belgium), and Denmark on the high end.

b. Especially in net activity rates (full-time equivalents), the Netherlands score comparatively low. This may be attributed to several factors: low female labour participation, short average working week (due to a high proportion of part-time jobs), higher-than-average unemployment rate, high percentage of working hours lost due to illness and injury, and comparatively high percentage of invalidity pensioners. In part, the result of these factors is compensated by a very low early retirement rate in the Netherlands.

c. In financial terms this pattern is reflected in social security expenditures, the Netherlands showing the highest proportion of GDP devoted to disability benefits but a comparatively low proportion to retirement pensions and a moderate proportion to unemployment benefits. This may suggest a certain trade-off between disability, old age and unemployment programmes - which is exactly one of the suppositions this study sets out to test, if feasible.

d. Crude indicators of the health status in the (entire) populations in our countries suggest that the relatively high levels of sickness absence and disability pensions cannot be attributed to a comparatively more unfavourable health status in the Netherlands, although valid cross-national health status indicators are not yet available.

From the information presented in this chapter, for the oldest categories of employed persons especially a trade-off between invalidity pension schemes and early retirement schemes would seem plausible. Sometimes this appears to be only a question of terms used: indeed

"pensions" and "retirement" for many people mean the same thing. This synonymous use of terms may result in figures such as presented for France in the Eurostat Labour Force Survey, showing no invalidity pensions but a high level of early retirements (cf Table 2.10). Confusion between the different schemes may also distort the financial picture. For instance, the low Danish figure on disability expenditures matches poorly with the high number of invalidity pensions reported in the Labour Force Survey. Here again a technical source of differences is probably involved, as the term "invalidity pensions" has been renamed "social pensions" recently (cf. Chapter 3).

It may be concluded the "real" cross-national validity of available statistical figures remains to be ascertained. Even data from the same international agency (Eurostat), which may be expected to have a better standard of comparison than the different national statistics, do not give a consistent picture (yet). Although a "trade-off" between different schemes appears plausible at first sight, further proof of this hypothesis is needed. This consideration confirms the need of this pilot study, and requires a more detailed comparison of national regulations, definitions and data sources. These will be described more extendedly in Chapters 3 and 4.

Chapter 3 Major dimensions of national programmes

3.1. Introduction

In Part II of this report a large number of extended descriptions are included which give - in full detail- an overview of relevant features of income replacement arrangements in case of temporary or permanent work incapacity (sickness, occupational injuries, invalidity). Also some restricted information is offered on programmes which may function as an alternative source of income maintenance, namely for those categories of employed with restricted health or handicapped, which do not qualify for invalidity pension benefits. So unemployment and early retirement arrangements are also included. Finally attention has been focused on the supply of measures and services which aim at the improvement of the employment opportunities for persons with disabilities. Medical and vocational rehabilitation services as well as protective measures for handicapped or financial incentives to employ persons with disabilities have been included in our descriptions.

In this chapter the main dimensions of the social security context of work incapacity in each country have been summarized. It may not only make us aware of the variety of benefit arrangements, organizational principles and complexity of our subject matter. It also provides an insight into the policies applied against imminent decline of labour force participation of persons with restricted health or productivity. Finally, it will certainly contribute to draw conclusions regarding a common base for further comparisons of work incapacity figures in our countries under study. These conclusions will be discussed in more detail in Chapter 4 and 5.

3.2. Belgium

As in many other countries, the private and public sector in Belgium have separate income replacement programmes. In the public sector no benefits are paid in case of temporary work incapacity. Income loss is completely covered by full wage payment during a flexible period, provided by the public employer. In case of prolonged work incapacity an invalidity pension may be awarded, which almost amounts to previous earnings.

In the private sector, however, a more extended system of benefits arrangements is operated. Insurance against income loss due to sickness and costs of health care are covered in one programme (Sickness and Invalidity Insurance) which is administered by local sick funds. These pay benefits and reimburse medical expenditures. In Belgian arrangements for temporary

work incapacity, both employer and employee are faced with financial incentives. The employer is obliged to full wage payment during a period of two till four weeks of work incapacity (for wage earners and salaried employees, respectively). The employee also experiences financial consequences: one waiting day, and benefits covering 60% of full earnings, during the remainder of 12 months. Furthermore Belgian sickness benefits arrangements show strict legitimation rules and medical supervision procedures.

Two separate programmes provide benefits in case of work accidents and of occupational diseases, respectively. Both these two forms of work-related incapacity may entitle to benefits if any degree of loss of earning capacity is assessed, whereas the general (non-work-related) programme requires at least two-thirds loss of earning capacity. Sickness benefits and invalidity benefits are covered by one and the same programme (and administered by one body); the difference between the two thus is an administrative one. Consequently, if qualifying conditions are met, the transfer to the invalidity pension scheme is automatically carried out after one year of sickness benefits payment. Belgian invalidity pensions are relatively low and vary from 40% (couples with two incomes) to 65% (with dependents) of earnings, with a fixed maximum. Higher income replacement rates may be provided in case of serious work-related invalidity.

Normal retirement age is 60 year for females and 65 years for males. In order to relieve the pressure on jobs, in Belgium in the 1970's several flexible retirement provisions have already been introduced. Male employees may stop working when aged 60 (with proportional reduction of old-age pension) when a young unemployed is engaged. Further we found indications that also the unemployment arrangement in this country may be relevant to our subject. Protection against dismissal (also in case of work incapacity) is restricted and the level of unemployment benefits does not differ considerably from invalidity pensions paid. Consequently, unemployment statistics indicate that this programme also pays benefits to some categories of workers whose health is impaired. E.g., at 30.6.1990 12.3% (male) and 7.4% (female) of unemployed were registered to have health restrictions (Rijksdienst, 1990).

Finally, within the province of social security and labour market policy some arrangements were noted vis-à-vis the (re-)employment of persons with disabilities. Sheltered workshops,

special apprenticeship contracts and a quota system for (only) the public sector are the major measures applied.

3.3. Denmark

The Danish social security system regarding sickness and invalidity draws no sharp distinctions between employees in the private sector, civil servants and self-employed. Some schemes cover (parts of) all these groups. Relevant schemes are the Sickness Benefits Act (basically covering all three groups), the Occupational Injury Insurance Act (relevant to employees in both the private and the public sectors) and the Social Pensions Act (in principle covering all Danish residents but in practice of little importance to civil servants). For civil servants often special arrangements or procedures are operated. E.g. public bodies - although they are covered by the sickness benefit scheme - simply continue full wage payment during sickness, not paying insurance contributions and not receiving benefits from central funds. And civil servants with permanent job status have their own pension scheme (including invalidity pensions) which almost always takes precedence over their rights under the Social Pensions Act.

As to temporary work incapacity due to sickness, the Sickness Benefits Act basically covers employees, civil servants and self-employed, although the exact regulations and funding for each group are somewhat different. Especially, self-employed persons may only claim benefits after 3 weeks of sickness. As for employees, the first weeks of sickness are covered by full wage payment by the employer (the length of this employer's period has varied considerably in the past and is now 2 weeks for private employers and unlimited for public bodies). After this employer's period benefits are payable during a maximum of 52 weeks in any 18-month period.
It may be relevant that Danish labour legislation allows dismissal of employees after 120 sick days (calendar days) within a 12-month period, which means that sickness benefits payment may extend into an unemployment period (the sickness benefit scheme covers unemployed as well). However, the extent of dismissals of this type is unclear.

The Occupational Injury Insurance Act (which offers some benefits as a *supplement to*, and not instead of, the sickness and invalidity insurance) covers employees in both the private and the public sectors, and thus does not consider the self-employed. Unlike the other two it is not tax-financed but it obliges employers to effect an insurance with any

private insurance company. Public bodies, however, do not effect such insurances; they pay the benefits involved from their own budgets. Benefits may comprise both a lump sum based upon basic taxation of loss of capacities, and annuities compensating for loss of earning capacity.
Although the existence of an Occupational Injury Insurance Act suggests that a distinction between "risque professionel" and "risque social" is made, this distinction is not sharp. In the case of occupational injuries, wage-replacement benefits are paid under the Sickness Benefits Act (and, if necessary, under the Social Pensions Act), just as in spells of non-work-related sickness; the Occupational Injuries insurance scheme offers supplementary arrangements and might be regarded as an extension of the other schemes, being more generous than both other schemes. In other words, the statistical figures on sickness benefits and social pensions also contain most of the spells of sickness/invalidity which are caused by occupational hazards.

As to long-term sickness and permanent work incapacity, the Social Pensions Act (which includes the invalidity benefit scheme) basically covers all Danish residents.
The Social Pensions scheme is indeed an early *pension* scheme in the sense that pensioners are not expected to re-enter the labour market (although they may do so): as long as rehabilitation opportunities are not exhausted, a social pension will not be awarded. (If rehabilitation after long-term illness extends beyond the maximum Sickness Benefits Act period, either extension of this period is possible or the Public Assistance scheme, extended with a revalidation allowance, takes over.) In this sense the "threshold" to a Danish social pension is higher than, for instance, in the Netherlands, where long-term illness may be covered by the invalidity pension scheme also when rehabilitation is possible.
On the other hand, Danish social pensions may be awarded on wider grounds than health status alone. Especially where older workers are concerned, social considerations and labour market opportunities are taken into account in awarding pensions (although the pension level usually will be higher for pensions awarded due to deteriorated health status alone).

All income replacement schemes are clearly distinct from other health expenditure schemes: Denmark has a National Health system covering most health care expenses. Only the Occupational Injuries Insurance Act offers some additions as to health care expenditures: in case of occupational injury, all costs of medical treatment and (re)training which might not be covered by the National Health system, are compensated by this act.

The normal pensionable age in Denmark is 67 years; at this age, beneficiaries from the three schemes mentioned above will be transferred to the old age pension scheme.
Apart from old age pensions, several "adjacent schemes" may be relevant to employees with health restrictions. Both the unemployment benefit scheme and public assistance may be relevant "adjacent schemes" especially regarding the sickness benefit scheme. Unemployment may follow upon sickness, as dismissal during sickness is possible. A rehabilitation allowance under the public assistance scheme may serve to fill a "gap" between sickness benefit scheme and recovery.

As to social pensions, by far the most important adjacent scheme is the early retirement scheme for employees ("Efterløn"), which is affiliated to the unemployment insurance funds. In the age group 60-66 the early retirement scheme includes almost as many beneficiaries as the social pensions scheme (including roughly 25% and 30%, respectively, of this age group in 1987). Although early retirement formally presupposes fitness for work, the scheme in practice is said to attract "worn out" employees. Besides, Danish legislation offers the possibility of setting up (through (collective) labour contracts) partial retirement arrangements for employees and self-employed aged 60-66. This scheme, however, seems to be of little importance: only a few thousand people receive benefits under this arrangement.

No specific rehabilitation legislation or employment measures for the handicapped are operated. Under the Sickness Benefits Act, however, the Municipality (as carrier of the scheme) is required at fixed intervals to take up each case of long-term illness and assessing rehabilitation opportunities (and offering the relevant facilities). As noted above, a social pension will only be awarded when rehabilitation opportunities are exhausted.

3.4. France

The structure of the French social security system regarding sickness and disability benefits is rather more complicated than in the other countries under study. The system consists of a large number of partial systems, the so-called *Régimes* - of which there are one large system and many small ones - each covering separate categories within the labour force and each having their own special scopes, conditions, procedures etc. Civil servants are included in these general arrangements. Furthermore, in France voluntary (or non-statutory) arrangements are quite usual; this comprises arrangements through both collective labour

agreements, and private health insurance policies which may (or may not) incorporate some form of income replacement benefit.

The Régimes of the social security system not only operate income replacement programmes, but are covering a broad scope of health risks (medical costs, sick pay, maternity, invalidity, survivor pensions, occupational accidents/diseases). Consequently, in statistical figures the several kinds of benefits paid are not always discernible. Furthermore, as to health care expenditures these Régimes not only cover wage earners themselves but also their dependents, and old-age pensioners. Also self-employed are covered by the social security system (although they are organized largely in separate Régimes).
In other words, income replacement benefits in France are regarded as one of several kinds of health care expenditures, all of which are covered by general health insurance bodies.

The majority of wage earners are covered by the *Régime Général*, which is operated by the Caisse Nationale d'Assurance de Maladie (CNAMTS). This CNAMTS also covers civil servants (besides various other categories of wage earners) and operates some 7 separate schemes affiliated to the *Régime Général* for several categories of non wage earners (f.ex. handicapped, students). Taken together, the CNAMTS operates sickness insurance schemes for about 80% of the French working population, which amounts to about 90% of employees.

Besides the Régime Général and affiliated regimes, 12 different schemes exist for wage earners and self-employed in specific sectors (*les régimes speciaux*) and 4 schemes for wage earners and self-employed in agriculture (*les régimes agricoles*). As to wage earners, the majority of those not covered by the Régime Général will be found in one of the régimes agricoles (ASA); furthermore, the separate schemes for railway personnel, for the Paris regional transport personnel, for mining personnel, and for seamen (each covering about 1 per cent or less of the working population) also cover part of the French wage earners.

Description of each of these schemes is not feasible within the framework of this study. The description has been limited to the Régime Général. However, the conditions of insurance for at least wage earners in the agricultural sector (covered by one of the Régimes Agricoles) are quite comparable to those of the Régime Général. Taken together this means that about 95% of employees in France (including civil servants) are covered by these conditions.

Sickness benefits are paid after 3 waiting days (except in case of occupational injury) at a level of 50% of earnings. A medical certificate is required. Maximum duration of sick pay is in part dependent on length of preceding insurance period; usually the maximum sick pay period is 12 months, but in case of protracted illness and/or of rehabilitation activities, extension of the maximum period to 36 or 48 months is possible.

As in many other countries, more generous benefit regulations apply to disability due to occupational injuries and diseases. No minimum insurance period is required; benefits are payable from the first day of disability; in case of temporary disability, benefit levels are more generous than those in the sickness arrangement; in case of permanent disability no minimum loss of earning capacity is required for entitlement to benefits, and benefits levels are more generous than in case of non-work related invalidity. The arrangement is operated as an insurance system funded by employers' premiums; it is administered by the CNAMTS, just as are the sickness and invalidity arrangements.

Invalidity pensions may be awarded in case of lasting or permanent disability. Work resumption after receipt of invalidity pension, however, is very rare; in practice this pension almost always means termination of working life. Three levels of disability, and thus of benefits, are discerned. A striking detail of these benefit levels is that they are not calculated from the most recent earnings (as in many other countries), but from average earnings over the best 10 insurance years.

The usual pensionable age in France is 60 years (if one has completed at least 35 working years), resulting in benefits for work incapacity being terminated at that age, where one is transferred to the old age pension scheme.

In France, a long-standing tradition in rehabilitation (dating back to rehabilitation of war victims in WWI) has been revived through new, rigorous legislation in 1987, including obligatory quota of handicapped. Furthermore, a wide range of employment measures for handicapped are operated, which are mainly carried out by special regional committees.

3.5. Germany

In case of work incapacity the German worker is confronted with an extended system of income replacement arrangements, which are administered on various organizational principles.

Sickness insurance is carried out by local sick funds, occupational injury and disease schemes are administered by industrial sector bodies, whereas invalidity arrangements are operated by regional agencies ("Länder"). Income replacement arrangements operate most simply in the case of civil servants. Here, during temporary work incapacity normal wage payment is continued by the employer. He also has to take the initiative to undergo invalidity evaluation. If an invalidity pension is awarded governmental funds provide benefits related to years of employment ("appointment") in civil servant status. The relatively favourable income replacement conditions only apply to those employees who have the civil servant status. About 50% of personnel employed by public authorities however have no civil servant status; they fall under benefit schemes of the private sector.

In the private sector the operation of programmes is also based on the occupational status of the worker (with exception of the occupational injury insurance). For wage earners ("Arbeiter") and salaried employees ("Angestellten") separate administrations are carried out in case of sickness, invalidity and old-age pension. However, for both categories the employer continues payment of normal wage during the first six weeks in case of work incapacity. Inability to work has to be medically certified, although legitimation procedures are often more liberal for salaried employees than for wage earners (who have to forward a medical certificate on the first day of work incapacity). German sickness benefit arrangements provide a sick pay equal to 80% of gross earnings (up to a maximum), which equals about net wages for most wage earners. Depending on the initiatives of the fund, the worker, or his physician, an invalidity benefit may be claimed earlier or later, depending on the moment of consolidation.

Causality of work incapacity plays an important role in the administration, benefits level, and rehabilitation in this country. Benefits paid for full invalidity are more favourable in case of occupational injury and disease than in the case of invalidity due to "ordinary" sickness.

Traditionally, extensive rehabilitation services are provided in this country. Both in sickness, injury and invalidity pension programmes high value is attached to the principle of rehabilitation having priority over pension ("Rehabilitation vor Rente"). Consequently, in an early stage of work incapacity and regularly before invalidity pension receipt the claimant is offered or prescribed medical or vocational rehabilitation measures. In line with the long-standing German tradition of spas and health resorts ("Kur", "Heilverfahren") these services

are integrated in health care and social security and carried out by specialized physicians, retraining institutes and rehabilitation hospitals. In addition to these measures there is a protective programme regarding severely handicapped, whereas German employers pay financial penalties when failing to comply the 6% quota rate.
Notwithstanding these measures designed to stimulate employment of persons with deteriorated health, German regulations also provide opportunities to leave the work force before normal pension age (65 years). Severely handicapped and unemployed may retire when aged 60. However, another type of flexibility has also been introduced several years ago: deferred pension arrangements, allowing the employee to continue employment after 65. Finally from 1-1-1989 a smooth transition into retirement is facilitated by the possibility of part-time working from age 58.

3.6. The Netherlands

In the Netherlands in case of income loss civil servants and employees in the private sector are covered by separate schemes. Persons employed in the public sector and having the occupational status of civil servant experience no loss of income in case of short-term work incapacity. This period may last up to 18 months; then 80% of wages are payable. When a stabilized situation of disability for one's own job has entered, transfer to a civil servant's invalidity pension is possible.

Private sector employees are covered by income replacement arrangements which differ in several respects from schemes in the other countries. Both the structure and operation of work incapacity programmes as well as benefit levels differ on some dimensions with the situation in other countries.
Firstly, the principle of causality has been abandoned in Dutch social security arrangements. Since 1967 no distinction is made between work-related (occupational injury and disease) and non-work related incapacity, neither in entitlement criteria, nor in level and duration of benefits payment. Both types of risks are covered in one programme, initially by the Sickness Benefits Act (temporary incapacity) and subsequently entitlement to an invalidity benefit usually follows.
Secondly, in case of temporary work incapacity employees receive sick pay (legally: 70% of normal earnings after 2 waiting days), which in most collective labour agreements has been supplemented to 100% wage payment from the first day. In that case, the employee thus experiences no loss of income. The employer may experience some financial consequences

if full wage payment is agreed; the first two days and the supplement of 70% benefit level to 100% wage payment is at the expense of the employer, usually (but may be re-insured). At the moment several proposals are in discussion to change the regulations towards the introduction of stronger financial incentives for employer and employee.

A third feature of Dutch arrangements is the absence of medical certification at the onset of work incapacity whereas non-medical experts and social insurance doctors, as well as sometimes the occupational physician are responsible for surveillance and evaluation.

After exhaustion of sickness benefits payment (52 weeks) the client may be referred to the invalidity pension scheme for full or partial invalidity benefits payment. The programme operated for employees recognizes seven degrees of disability, each providing a pension as a percentage of previous earnings (maximum: 70% of gross income.

In the Netherlands normal retirement age is 65 and early retirement arrangements, which are provided on a voluntary basis, are covered in sectoral collective labour agreements. Finally it should be noted that vocational rehabilitation services to disabled are restricted and applied on a limited scale. Also a quota scheme, which compulsoraly claims a certain percentage of jobs for persons with disabilities, has not yet reached full development.

3.7. United Kingdom

The United Kingdom is one of the two countries (the other one being France) included in our inquiry where the same income replacement schemes for work incapacity apply to both the private and the public sector. Another remarkable dimension of these arrangements is the application of flat-rate benefits, which are almost independent of normal wage and which may be combined with a variety of allowances. Consequently, income-replacement rates of available benefit schemes can hardly be identified and may be considered quite low for several categories of employees. Also a comparison with arrangements in other countries becomes complicated. A final striking feature of British arrangements and administration is the operation of all income replacement schemes by local or regional offices of one body: the Social Security Department.

In the United Kingdom levels of temporary benefits and invalidity pensions differ according to the cause of work incapacity. In case of permanent work-related incapacity (occupational

injuries and diseases) flat-rate benefits are paid according to the degree of disablement assessed. Sickness benefits do not vary according to the scale of incapacity evaluated and often are on a lower level than work-related benefits.

In both the sickness and the occupational injury scheme the initial period of work incapacity includes elements of own risk for employer and employee. The latter is faced with three waiting days, and with sickness benefits (from Social Security) or Statutory Sick Pay (from employer) which differ considerably from normal earnings. The former receives only reimbursement of 80% of sick pay provided to this employees during maximally 28 weeks.

In case of prolonged work incapacity due to sickness, after 28 weeks automatic transfer to the invalidity pension scheme is provided. Medical evidence of invalidity is then entirely based on the doctor's notes (medical certificates) which already had to be obtained from the general practitioner or specialist during the sickness benefit period.

Within the United Kingdom employment policy, early retirement arrangements have not come into development on a large scale, although most company pension schemes have provision for early retirement on medical grounds where there is a permanent incapacity for work due to impaired health. Furthermore work incapacity lasting over a certain period may lead to dismissal as protection against lay-off does not include sickness.

Finally, in this country comparatively the widest variety of provisions, arrangements and services may be noted regarding the rehabilitation and employment of people with disabilities. Whereas the (3%) quota obligation seems to be fulfilled unsatisfactorily, a wide range of retraining services, sheltered workshops or allowances and grants to employers are directed to (re-)employment of handicapped. All these services are not operated in the social security sector but are administered and funded by local offices of the Employment Service.

Chapter 4 A comparison of work incapacity programmes

4.1. Introduction

In Chapter 3 for each country an overview was given of main elements of national social security and rehabilitation programmes which are in operation for employees in the private and public sector. Now we will start the comparative analysis of the conceptual and methodological peculiarities that affect our further inquiry. The central question to be answered in this and the following chapter is whether a common basis can be found or constructed that allows a comparison of Dutch and foreign work incapacity figures.

To that end in this Chapter firstly an overview will be given of major similarities and differences in benefits arrangements, retirement options and rehabilitation or (re-)employment programmes applied. These arrangements affect the number of and reflect the policy regarding persons with disabilities and their participation in the labour force. Moreover, they may account for considerable administrative sources of bias in available statistics which will be dealt with in more detail in Chapter 5. It should be noted however, that national arrangements usually are complex, with many details, which can be included only in a crude way. We tried to describe the essence (for employees in the private and public sector), including details only as far as necessary.

4.2. A comparison of public sector arrangements

Within our countries under study a dichotomy can be distinguished regarding the benefits arrangements in case of both short-term and long-term work incapacity. Whereas in Belgium, Germany and the Netherlands civil servants are covered by special arrangements, which are restricted to the public sector, in Denmark, France and the United Kingdom general programmes are being applied to both the private and civil sector of the work force (although in practice civil servants in Denmark have specific arrangements).

Sickness and invalidity arrangements restricted to civil servants may differ from private sector arrangements in at least two main respects. Firstly with the exception of the Netherlands, income replacement for civil servants is not covered by social or individual insurance programmes, but by a general pension scheme which is totally financed by governmental funds (taxes). Neither in the Belgian nor in the German scheme the employer or employee

pay compulsory payroll contributions. Besides permanent (full) invalidity is considered as compulsory early retirement from the governmental service.
Secondly, compared to the private sector arrangements, civil servants in each of these three countries are covered by more favourable income replacement conditions. Compulsory insurance periods or waiting periods are not required from the claimant; the occupational status of civil servants guarantees eligibility from the first day. Furthermore, periods of contination of full wage payment are flexible and considerably longer than for work incapacity in the private sector. Finally, transfer to the invalidity/retirement arrangements (with a comparatively high income-replacement rate) may almost automatically be carried out, without an early and close linkage to rehabilitation measures. However it was indicated that for some segments of the civil servant population (e.g. railway, post, police) rehabilitation is more integrated with the operation of invalidity pension arrangements.

In those countries where civil servants in case of work incapacity are protected by a general programme, additional arrangements may be applied, which differ from those for employees in the private sector. These, however, may be regarded as extra-legal supplements (just as may be the case in the private sector, through labour agreement), and thus fall outside the scope of this description.

Comparing our countries regarding income replacement for civil servants during *short-term illness* we find considerable variations. Least favourable conditions are noted for the U.K., comprising in its arrangement three waiting days, a non-earnings related flat-rate benefit (plus allowances), and the shortest period of payment (28 weeks). This programme is contrasted mostly by German and Dutch arrangements, which provide full wage payment of an extended duration. The sickness benefit schemes in other countries are positioned between these extremes. Arrangements for Danish civil servants more or less reflect the Dutch scheme, whereas the net outcome of income replacement arrangements of Belgian and French civil servants resemble more the British situation.

Table 4.1 Overview of work incapacity arrangements in the public sector

	B	DK	F	G	N	UK
special arrangements for civil servants?	yes	partly	no	partly	yes	no
Sickness						
- certification	1st day	no	1st day	4th day	no	yes[a]
- waiting days	none	none	3	none	none	3
- benefits level (% of gross earnings)	60%	up to 100%	50%[b]	normal earnings	normal earnings	flat-rate amount[c]
- maximum duration	no max.	52 weeks	52 weeks	no max.	no max.	28 weeks
Work Injury, Occupational Disease						
- income/benefits level	normal earnings	up to 100%	50-66.7%	normal earnings	See: Sickness	flat-rate amount
- maximum duration	no limit	no limit	no limit	no max.		90 days
Invalidity						
- claim initiative	employer	employee	employee	employer	employer	carrier
- minimum loss of earning capacity	none	50%	66.7%	none	15%	none
- degrees of invalidity	2	1	3	1	7	1
- pension level (% of gross earnings)	up to 100%	flat-rate pension[d]	30, 50%[e]	up to 100%	9-70%	flat-rate pension[f]
- maximum duration	no limit	67	60	no max.	65	60 (F) 65 (M)

Legends: a = but first week: self-certification
b = baseline provision, supplemented by additional sick pay (private insurance)
c = employer pays flat-rate amount during 28 weeks (statutory sick pay)
d = flat-rate basic pension plus various supplements
e = severely disabled: also constant attendance supplement (adds up to 90%)
f = flat-rate amount plus earnings-related and age-related supplements

In case of temporary incapacity due to work injury and occupational disease the income replacement schemes converge to more favourable conditions. Here both Belgian, Danish, German and Dutch civil servants receive normal earnings for a very long or unlimited period.

Finally, invalidity pension arrangements in the public sector show many variations across our countries. The initiative to apply for an invalidity pension may come from the public employer, the civil servant, or the social security agency. Also considerable differences are being noted regarding the minimum degree of loss of earning capacity required, or type of pension paid: flat-rate (U.K.), earnings-related (B, F, G, N) or mixed (DK). Whereas in most arrangements at least a 50 - 66.7% loss of capacity is required, the Dutch system shows a lower minimum, namely a 15% loss of earnings capacity, to qualify for a (partial) pension.
It may be concluded that among the countries surveyed the programmes for German and Dutch civil servants show most favourable sickness benefit and invalidity pension arrangements.

4.3. Sickness benefits arrangements in the private sector

The structure and administration of income replacement programmes in our countries shows many variations. A Belgian worker who falls ill or becomes disabled due to a work injury finds himself in a social security context which is quite different from the situation for his colleague in (for instance) the United Kingdom or the Netherlands. Some major differences regard the relationship between sectors covering different health risks.

Firstly, it may be noted that in most (temporary and permanent) work incapacity arrangements *causality of incapacity* is a governing principle. With the exception of the Netherlands, in all countries surveyed work injury or occupational diseases are covered by special programmes. These are often administered by special agencies and provide cash benefits which, in case of full work incapacity, usually are at a higher level than for "ordinary sickness". Furthermore, work injury programmes accept lower minimal degrees of work incapacity to qualify for a (partial) invalidity pension than general invalidity arrangements.

Secondly, in three countries (B, F, G) sickness benefits insurance is integrated within health care provisions as a whole, whereas in the other three sickness benefits are a separate branch of social security. This difference may affect both the operation of the system and the availability of separate data on sickness benefits.

Thirdly, in three countries (Belgium, The Netherlands, United Kingdom) sickness and invalidity benefits programmes are interrelated. After exhaustion of sickness benefit payment

(and assessment of disability), the invalidity benefit takes over. In the remaining countries, however, invalidity pension programmes are not connected to the *sickness* arrangements and administration, but are integrated in the general old-age *pension* sector (Denmark, France, Germany). With the exception of France, in the latter schemes the invalidity pension paid is not only related to the workers latest earnings, but also dependent on the number of years of contribution paid.
Thus, invalidity benefits may be viewed either as "protracted sick pay" or as "early retirement", which has considerable consequences. For instance, in the former case emphasis on work resumption/rehabilitation is obvious, in the latter case no work resumption is expected.

Finally, we may note that a lack of a precise definition of short-term work incapacity is common to all countries. In most arrangements work incapacity is related to sickness, infirmity or the need for medical treatment. Further the definition refers to the *present* job or occupation. Only in Belgium explicitly a 66.7% reduction of earning capacity is defined; most other programmes state or imply a full (100%) loss.

The arrangements in case of sickness, as summarized in Table 4.2, show several similarities but also some striking differences. We already mentioned the difference as to *combination with health care programmes.*

In most countries the *first assessment of work incapacity* has been commissioned to the attendant physician or specialist. This expert gives treatment, makes a prognosis and provides the compulsory certificate to legitimate work incapacity. The strictes certification rules are applied in Belgium and France, whereas certification is not compulsory or totally absent in Denmark and the Netherlands, respectively. At least for very short spells in a majority of countries a doctor's certificate is no longer required. Besides, *waiting days* also are not applied in most countries with relaxed certification rules. Belgian, French and British employees still experience 1-3 waiting days but in other countries they have been abandoned.

Table 4.2 Overview of sickness benefits arrangements in the private sector

	B	DK	F	G	N	UK
included in health care programme?	yes	no	yes	yes	no	no
certification	1st day	not compulsory	1st day	1st or 4th day	no	yes[a]
waiting days	1[b]	none	3	none	(2)[c]	3
continuation of full wage payment	2-4 weeks	yes[d]	no	6 weeks	no	no[e]
benefit level (% of gross earnings)	60%	up to 100%	50%[f]	80%	(70%)[g]	flat-rate amount[h]
extra legal supplements statutory allowances	yes no	yes ?	yes[i] ?	? no	yes no	? yes
maximum duration of payment[j]	52 weeks	52 weeks	52 weeks	78 weeks	52 weeks	28 weeks

Legends: a = first week: self-certification.
b = retro-actively paid after 14 days of work incapacity.
c = statutory: 2, but mostly suspended in collective labour agreements.
d = collective labour agreements provide 100% wage payment of various durations.
e = employer pays flat-rate amount during 28 weeks (statutory sick pay).
f = baseline provision may be supplemented by additional sick pay (private insurance).
g = statutory: 70%, most collective labour agreements provide 100%.
h = paid by employer; if not entitled: sick benefits payment (government).
i = collective labour agreements may provide period of wage payment.
j = in some countries exceptionally extension of the maximum period is possible.

The countries under study also differ considerably regarding the *financial consequences* for employers and employees of work incapacity due to sickness. In all countries the *employer* is usually directly confronted with at least some wage costs of sickness absence. This financial involvement is realized either by compulsory continuation of wage payment during 2-6 weeks (B, DK, G), agreed payment of supplements to benefits (F, N), or incomplete reimbursement from Social Security of sick pay provided by the employer (UK).

In most countries *employees* also experience some "own risk" or loss of income in case of work incapacity due to sickness. In addition to waiting days (which may sometimes be paid retro-actively), a more or less considerable loss of earnings may be noted for Belgian, British and (some) Danish and French employees. Only (the majority of) German and Dutch workers receive benefits approaching or equalling normal earnings, for a long period.
Our insight in the financial consequences of sickness is distorted by the fact that in most countries benefits may be topped up by additional, *extra-legal arrangements*, agreed in (collective) labour contracts.
Finally, it is noted that in the majority of countries temporary work incapacity due to sickness has a maximum duration of 52 weeks, with an exception of the U.K. (28 weeks) and Germany (78 weeks).

4.4. Occupational risks arrangements in the private sector

With the exception of the Netherlands, in each country separate compulsory benefit and pension arrangements are operated in case of *work injuries and occupational diseases*. In Belgium two separate programmes cover each of these two occupational risks, whereas in other countries these two are covered by one programme. These benefits may be supplemented by statutory (UK) or non-statutory (e.g., DK) allowances. In each country temporary work injury benefits are more favourable (as to income replacement rate, duration) than sickness benefits. Besides, more categories of permanent partial disablement may be compensated, as the minimum loss of earnings capacity ranges between 5% (B) and 20% (G).
Table 4.3 offers a summary of characteristics of the relevant arrangements in the six countries. Although countries differ in their work-related incapacity arrangements, the major contrast is found with Dutch arrangements, where no distinction is made between work- and non-work-related incapacity.

Table 4.3 Overview of work injury and occupational disease arrangements

	B	DK	F	G	N	UK
Temporary Work Incapacity						
waiting days	none	none	none	none	No special programme	3
full wage payment continuation	30 days	no[a]	no	6 weeks	See: Sickness	no[b]
benefits level (% of gross earnings)	max. 90%	up to 100%	50 - 66.7%	80%		flat-rate amount[c]
supplemental benefits	no	no	?	no		
maximum duration of benefits payment	no limit	no limit	no limit	no limit		90 days
Permanent Work Incapacity						
minimum loss of earning capacity	no minimum	15%	10%	20%	No special programme	14%
pension paid (% of gross earnings)	5 - 100%	up to 75%	up to 100%	5 - 66.7%	See: Invalidity	flat-rate amount[d]
supplemental benefits, allowances payable	yes	yes	yes	yes		yes

Legends: a = may however be provided by labour agreement
b = employer pays flat-rate amount (Statutory Sick Pay)
c = sick benefit payment if not entitled to Statutory Sick Pay
d = eight degrees of disablement with corresponding flat-rate pensions

4.5. Invalidity arrangements in the private sector

Most of the countries included operate two or three income-replacement programmes to protect workers in case of permanent disablement:

a) invalidity pensions for work-related injuries and diseases, applied in all countries except the Netherlands (as discussed in Section 4.4);

b) full or partial invalidity pensions for long-term sickness and (non-work related) injury or impairment (all countries);

c) several countries provide means-tested benefits to (severely) disabled persons, whether or not they are in covered employment. Furthermore, supplementary benefits or allowances may enable a disabled person to cope more easily with everyday life (e.g., mobility benefits, attendance allowances).

The nature of the arrangements indicated under b. and c. as well as qualifying conditions vary from country to country. Generally, however, it may be noted that the definitions of disability or invalidity applied are quite similar across countries; they all refer to incapability of earning, or of work due to (physical or mental) illness or infirmity. The loss of earning capacity has to be evaluated by comparison with a worker with the same employment status, age, ability, or training. Geographic location (F, N), labour market conditions (DK, G) have also been included as additional criteria in some arrangements or in jurisdiction.

Table 4.4 summarizes the main characteristics of invalidity pension arrangements in the six countries.
From a comparative point of view a few conclusions can be drawn from our exploration. Firstly, eligibility for an invalidity pension in most countries requires a minimum period of employment or payment of insurance contributions. Only the Dutch and British scheme do not require such an insurance period. Other countries require contributions payment or residence periods varying from 0.5 (B) till 5 years (G).

Secondly, countries differ regarding the application of *waiting periods* as qualifying condition for invalidity pension receipt. In Belgium, the U.K. and the Netherlands a fixed period of work incapacity has to precede transfer from the sickness benefit scheme to the invalidity pension scheme.

Consequently in these three countries the claim initiative for invalidity pensions is more or less automatically provided by the carrier of the sickness scheme. In the remaining countries, where no fixed waiting period is applied, sickness and invalidity arrangements are not this closely interconnected. As a result, the initiative to claim an invalidity pension here is mainly dependent on the insured employee himself, and previous or present periods of sickness absence are not part of the qualifying criteria.

Table 4.4 Overview of invalidity pension arrangements (private sector)

	B	DK	F	G	N	UK
insurance period	6 months	3 years residence	12 months	60 months	none	none
waiting period	52 weeks	none	none	none	52 weeks	28 weeks
claim initiative	carrier	employ-ee	employ-ee	employ-ee	carrier	carrier
minimum reduction of earning capacity	66.7%	50%	66.7%	50%	15%	none
degrees of invalidity applied	1	4	2	2	7	1
cash benefits (% of gross earnings)	40 - 65%	flat-rate pension[a]	30 or 50%[b]	15 - 80%[c]	20 - 70%[d]	flat-rate amount[e]
payment of additional benefits, allowances	yes	yes	yes	yes	yes	yes
maximum duration of payment (up to age)	60 (F) 65 (M)	67	60	no limits	65	60 (F) 65 (M)

Legends: a = flat-rate pension plus various allowances
b = severely disabled; also constant attendance-benefit (40%)
c = invalidity pension based on number of years contribution is paid
d = collective labour agreements may provide temporary supplements
e = flat-rate amount plus earnings-related and age-related supplements

Further, five countries require in their qualifying conditions a high *level of loss of earnings capacity*: 50% (DK, G), 66.7% (B, F) and 100% (UK). These rates, however should be compared with restrictions, as assessment procedures seriously affect their interpretation. Nevertheless, the Dutch system provides the widest range of earnings-loss percentages (7 degrees) whereas other systems accept only one (B, UK), two (F, G) or four degrees of invalidity.

Level and duration of invalidity benefits payment seem to be most favourable for all Dutch insured, and for German employees in sofar as they paid contributions for a considerable period. Lower pension levels are noted for other countries surveyed, although additional allowances from various sources may reduce the differences depicted in Table 4.4.

4.6. Unemployment and (early) retirement arrangements

In case of prolonged sickness or disablement due to an occupational injury insured in most countries obviously will claim invalidity benefits. When qualifying criteria are not fulfilled and work is not resumed, unemployment or, in case of older workers, early retirement may come into consideration.

In as far as our detailed descriptions of unemployment arrangements (cf. Part II) allow a comparison, it is indicated that for some countries full invalidity pension payment is more favourable to the recipient than an unemployment benefit (e.g., the Netherlands). Especially in a long-term perspective, where unemployment benefits in due course are replaced by lower unemployment assistance, the differences with invalidity pensions will grow. For most other countries invalidity benefits do not exceed unemployment benefits substantially (e.g., B, F), except in case of full incapacity due to occupational injury or disease.

For certain categories of workers, which after many years of employment experience a restricted health condition, *early retirement* may be attractive, in particular when they do not meet eligibility criteria for invalidity pension. Table 4.5 gives an overview of retirement options. Our countries show some contrasts as to the normal pension age and retirement options. Whereas Belgian and German workers (disabled, unemployed) under certain conditions may leave the labour market up to 5 years before normal pension age, other countries like Denmark and the U.K. show more restricted arrangements.

The Netherlands lack any general early retirement policy operated by the government, as in previous cases. In this country early retirement provisions have a voluntary basis and are covered for restricted duration in collective labour agreements.

The range of retirement schemes thus varies considerably across the countries surveyed. This may suggest that to varying degrees these schemes may serve as alternative "exit routes" from the labour market for workers with restricted health, in competition with invalidity pensions arrangements. However, this point cannot be considered proven without further statistical evidence, which is exactly one of the aims of this study.

Table 4.5 Overview of retirement arrangements

	B	DK	F	G	N	UK
normal retirement age:						
- male	65	67	60	65	65	65
- female	60	67	60	65	65	60
public early retirement options (at age):						
- general, without replacement	60 (M), 55 (F)	60-67		63	no public	
- with replacement by unemployed	60		60		scheme	
- severely handicapped persons				60		62 (M)
- long-term unemployed	60 (M) 55 (F)			60		60
- part-time early retirement		60	55	58		
early retirement options in labour agreements	no	60-67 (partial)	no	no	yes, from various ages	?
deferred retirement pension (up to age)	no	no	?	yes, no max.age	no	70

4.7. Rehabilitation and employment of disabled

Another category of public arrangements and provisions that may effect invalidity rates in a country comprises the rehabilitation programmes and labour market training measures to stimulate (re-)employment of persons with disabilities.

In many countries a range of medical and vocational rehabilitation measures are carried out within varying institutional settings. In Germany rehabilitation is almost completely covered by and related to the social security agencies (in particular: unemployment, work injury, invalidity). In the United Kingdom, however, rehabilitation services are provided by the Department of Employment, without any substantial linkage to the Social Security sector, which pays the benefits.

Table 4.6 Overview of measures for employment of handicapped

	B	DK	F	G	N	UK
quota arrangements: - minimum firm size (employees) - percentage of jobs - sector - penalty applied if not fulfilled	 20 3% only public none	 None	 10 6% private, public FFR42[a]	 15 6% private, public DM150[b]	 ? 3-7% private, public none	 20 3% priva-te, public none
sheltered workshops, placements	yes	yes	yes	yes	yes	yes
stepwise reintegration, special apprenticeships, employment for trial period, etc.	yes	yes	yes	yes	yes	yes
wage subsidies, reduction of taxes to support competitive employment	yes	-	yes	yes	yes	yes
allowances/provisions for: - mobility, transport - work site adaptations	 ? yes	 - -	 yes ?	 yes yes	 yes yes	 yes yes

Legends: a = per person per day
b = per person per month

As Table 4.6 indicates in each country further almost the same range of policies and provisions is applied to enlarge work force participation of (partly) disabled persons. Alas in this stage of the inquiry no sufficient insight could be gained in their scale of application and degree of success. A restricted impression however can be given. If the documentation available on measures and statistics may be considered a reliable indicator of the application and institutionalization of measures, the German, British and French policies seem to be more extended that those in Denmark, Belgium and the Netherlands.

Furthermore, quota arrangements, reserving a compulsory percentage of jobs for persons with disabilities, have come to some development in Germany and France (where penalties are applied when firms do not meet their quota), whereas in the Netherlands no agreement has been reached yet as to the quota rates to be applied.

Here again, the impact of available rehabilitation and employment measures on invalidity levels in a country has certainly to be included in further steps of inquiry to explain (alleged) cross-national differences in invalidity rates and developments.

4.8. Concluding remarks

So far our comparison made us aware of considerable differences which exist in the "Social Security Context" of invalidity in the countries. National programmes as well as specific arrangements with various criteria for eligibility make a cross-national comparison complicated and require considerable abstraction from details.

Before starting the inquiry into the statistical conditions for further investigation (Chapter 5), already some preliminary conclusions may be drawn.

Firstly, for each country the "Social security modi" have been traced and can be (re-) constructed which can be applied for persons with restricted health to gain income maintenance. Secondly, the inquiry so far also made clear that formal description of regulations will not be a sufficient basis for explanations. In due course it became clear that the ways they are operated highly contributes to the understanding of arrangements. E.g., when invalidity concepts applied show only limited differences, it becomes relevant to know whether the application of the concept (e.g. medical assessment methods) differ cross-nationally. The same may apply to the range of rehabilitation measures which showed to be available in each country, but which may be applied with quite different criteria. If available statistical information in each country will allow further quantitative comparisons, for the interpretation of results a better insight in the operation of arrangements will be indispensable.

Chapter 5 Evaluation of concepts and data

5.1. Introduction

In the previous chapter we made an overview and comparison of the formal-administrative context of work incapacity in our six countries to allow an answer to the first part of our central problem (the social security arrangements operated in case of work incapacity). Now we return to the second and third question stated in the introduction (cf. Section 1.3): which quantitative data sources are available regarding our subject, and in which way do they allow further research into the scale and nature of cross-national differences in work incapacity?

We firstly will describe which research design would be most appropriate to answer our question most satisfactorily. In this case for each country our inquiry would concentrate on the health status in a working age population and assess in how far persons with health restrictions are employed, receive benefits, left the work force, etc.

If, due to poor data conditions, this most extended design cannot be carried out, as a second option for each country the level of work incapacity may probably be estimated quantitatively by the selection and addition of statistical data from several benefits schemes. This measurement should also include data from related arrangements if they may cover persons with health restrictions (e.g. unemployment schemes, rehabilitation programmes, quota arrangements).

The third option is most limited and restricts entirely to a comparison of available statistics on common elements in work incapacity arrangements and populations, if sufficiently reliable data are available to allow a valid comparison of crude work incapacity rates. These three options now will be confronted with available data sources for each country to examine which option is feasible.

5.2. Extended comparisons and available sources

A proper insight in the level of work incapacity in a country's working age population is distorted by the standards and definitions applied in the prevailing programmes of income replacement. The most appropriate research design to allow full and valid comparisons across nations would, therefore, initially have to disregard benefit programme related definitions. Subsequently, they should be included to consider which proportion of the phenomenon is covered by income replacement programmes in a country.

Operationally this insight could be achieved if in each of the countries studied a survey would be carried out in (a sample of) the working age population, measuring:

a. the prevalence of health reductions (diseases, impairments), as well as the restrictions on work capacity they impose (disability, handicaps);
b. the employment status of persons with such restrictions, which may comprise several categories, e.g.: employment without compensation, or with partial benefit or pension; full or partial benefit without employment, etc.

Our inventory whether investigations containing these indicators, on a more or less regular basis, are carried out in our countries gives a very poor outcome. Firstly, the countries included differ regarding the scale on which "nation-wide" surveys are being carried out in the field of health and employment (cf. Prins & Verboon, 1989; Evers, 1990). E.g., whereas in Belgium since 1984 no survey in this field has been carried out, in the United Kingdom several inquiries are made on a continuous basis. A second restriction regards the fact that almost all available surveys are too restricted for our purpose. They mostly concentrate either on employment issues, or on health indicators, but only rarely comprise the combination of both areas. Only for the Netherlands on a regular basis a survey is carried out which both measures the reported health status and employment or social security status of respondents ("Doorlopend Leefsituatie Onderzoek").

Also surveys carried out by international bodies lack the inclusion of information on both health and social security issues. The only survey data with a more or less standardized international basis are provided by Eurostat's Labour Force Survey. These data have the definite advantage of at least somewhat more cross-national comparability, and richness of detail (individual-level data with many background variables). However, health related issues are not covered, and the validity, in terms of congruence with national data and concepts, is more doubtful. The figures we reported in Chapter 2 (cf. Table 2.10) sometimes are strongly at odds with national figures that we encountered. For example, it was noted that the Labour Force Survey reports zero invalidity pensioners for France, whereas they *do* exist, according to some national sources. So data sources from international agencies do not fulfil our requirement either.

Our second option, as mentioned in section 5.1., relies heavily on the (re-)construction of an estimate of work incapacity levels based on elements from statistics on benefits, pension, retirement and (un)employment in each country. For all these areas it was attempted to

get a clear overview of available information in each country. It could be noted that our countries under study vary as to the availability and specificity of relevant data. Whereas in each country some elementary statistics are available on health-related benefits paid and the number of recipients, detailed information on related areas seems much more scarce. E.g. only for Belgium and Germany can persons with restricted health be identified in unemployment statistics. For all countries very little information has been found on the number of persons employed under a quota scheme. However, on other measures each country shows some basic statistics (e.g. sheltered workshops, rehabilitation completions).

If data are available, they may be categorized into three categories:

a. tables which are published;
b. tables available, but unpublished;
c. primary data.

In all countries more data are available than have been published. Frustratingly, informants within one country sometimes contradicted each other at this point. Our general impression is that more "hidden data sources" are existent than initially can be noted, but it may take time to discover them fully.

In some countries individual-level data bases are available and may prove useful to further studies. National data sources of this type are available in Denmark and the Netherlands.

In these cases a considerable degree of cooperation and some expenses may be involved, not only in preparing relevant information, but especially in specifying and processing of these tables (thus, in communication between researchers and data owners).

Finally, also for this option we examined international sources. Taking Eurostats ESSPROS database on social security expenditures into account, as far as we are aware, no international data base on numbers of beneficiaries, based upon national statistics collected or re-calculated in a more or less standardized way, is available yet. Some relevant developments may be noted, however:

- At present, a study on early retirement from the labour market is undertaken by the OECD. This study will no doubt yield data important to our subject; it does not entail data collection on a regular basis, however. OECD seems to be interested in such data collection, but has not given high priority to data base development on the subject.

- Eurostat is preparing specific data collection on pension schemes in EC countries. A study on (early) retirement will reportedly be finished by the end of 1991. No details are known as yet, but in further research this development should be taken into account.

Furthermore, an internationally coordinated study on early exit from the labour market, covering four of the countries from our study (Denmark and Belgium excluded), contains relevant data on (inter alia) the use of invalidity pension schemes (Wissenschaftszentrum, Berlin). It is not clear whether this data collection is being continued at a regular basis.
So far our exploration examined the availability and accessibility of relevant data sources for the first research option (implying individual level data from surveys) and second one (requiring the addition of detailed information from administrative sources on various subjects). It may be concluded that any further analysis of cross-national similarities and differences in work incapacity can not be based yet on data from comparable survey sources in each country, which would give insight both in persons with health and productivity reductions on one hand, and their social security status (employed, sick, early retired, pension recipients, unemployed) on the other hand. Also the second option, aiming at an estimate of work incapacity from benefits, rehabilitation and employment statistics showed to be complicated and not feasible on a general basis. The conclusion can be drawn that for any further exploration we will have to rely heavily on the data sources available from social security administrations, correcting for incongruities as far as possible. Furthermore, only in an additional way sources from international agencies like Eurostat also have to be considered as they already to a certain extent may have been corrected for serious distortions in measurements.

5.3. Restricted comparisons in the public sector

Now the third option will be explored, focusing on the opportunities to create a common basis for comparisons from elements of available statistics on sickness, injuries and invalidity, both in the private and public sector. To that end we will go in more detail into some characteristics of these sources like scope, population covered, specificity and recency. This section will deal with public sector employees, whereas section 5.4. will consider the private sector.

In four countries in case of sickness or invalidity civil servants are not compensated by the same income replacement arrangements which are applied in the private sector. They are covered by specific schemes, restricted to (some categories of) personnel employed by public employers and, therefore, need some further attention.

Irrespective considerable variations across countries, some general conclusions can be drawn regarding public sector information in our countries under study. Publications and expert interviews indicate that three types of problems have to be taken into account when temporal and permanent work incapacity in employees in the public sector will be included in the study and compared across nations.

Firstly, the definition and demarcation of the population of civil servants differs across countries. Problems show to arise regarding:

a. the inclusion of persons having a temporary contract with an public employer (which, for instance, in the Netherlands are excluded from civil servant arrangements);
b. the restriction of special arrangements to those who have a civil servant status, whereas a considerable proportion of those employed by public employers are covered by general or private sector programmes (e.g. in Denmark, Germany);
c. the application of additional arrangements for persons working in services like police, army, public railway company, schools, etc., which in some countries constitutes a very heterogeneous picture for the public sector.

Secondly, if we restrict the comparison to the main features of public sector arrangements, we may discern considerable differences which have to be taken into account in the conceptual framework. Table 5.1. presents major similarities and differences in arrangements for temporary and permanent work incapacity in the four countries with special public sector programmes. In order to construct a common definition and measurement of work incapacity we have to face considerable variations as to:

a. the period a spell of work incapacity is covered by arrangements, after a period of continuation of wage payment;
b. the moment and degree of invalidity required for transfer to permanent disability pension.

Table 5.1 Main conceptual characteristics of public sector sickness and invalidity benefit arrangements in Belgium, Denmark, Germany and the Netherlands

	B	DK	G	N
Sickness				
- insurance period required	none	120 working hours	none	none
- inclusion of occupational injuries and diseases	no	no	no	yes
- waiting days applied	none	none	none	none
- initial continuation of wage payment	yes, variable period	yes, variable period	yes, variable period	yes (no benefits paid)
- accumulation with other benefits possible	yes	yes	yes	no
Invalidity				
- age ceiling/normal pensionable age	F 60 M 65	67	65	65
- occupational injury and diseases included	no	yes	no	yes
- minimum degree of incapacity required	none	50%	none	15%
- moment of evaluation: fixed or flexible	flexible	flexible	flexible	fixed
- maximum waiting period	no formal max.	no formal max.	no formal max.	78 weeks
- accumulation with other benefits possible	yes	yes	yes	yes

It may be concluded that for several aspects some restrictions will have to be made to create a common definition of work incapacity. Whether this common basis validly can be constructed depends on a third aspect, namely the availability of statistical data sources, which allow adaptations of crude figures to make a comparison more fruitful.

As the descriptions in Part 2 show, our countries considerably diverge regarding the statistics available on short and long term work incapacity in civil servants:

a. in two countries with special arrangements for civil servants any (centralized) data sources on temporal and permanent work incapacity in civil servants are lacking (Belgium, Germany);

b. in an other country with satisfactory recording and reporting habits, however, reliable data are restricted to permanent work incapacity only (the Netherlands);

c. in countries with general benefit arrangements for both the private and public sector it seems impossible to isolate these sectors in statistics sufficiently (France, United Kingdom).

Regarding these complications and the lack of opportunities to correct and adapt statistical information towards a common basis, it is recommended to leave the public sector (civil servants) out of further comparisons, and concentrate the inquiry on work incapacity in the private sector.

It finally may be noted that this lack of information on the public sector not surprisingly is reflected in other comparative publications. Several previous studies and international overviews (e.g. the Comparative Tables prepared by the EC and the US Department of Health and Human Services) also are limited to the private sector. It has often been argued that the investment required, in terms of time and money, in sorting out the (often quite deviant) public sector regulations was not worth while, considering that these regulations cover only a limited number of workers. In several countries the proportion is much smaller than among the Dutch, where about 15% of the working population has civil servant status. This results in a kind of self-fulfilling prophecy: as no international literature on public sector arrangements is available, the investment required would indeed be disproportionate.

5.4. Restricted comparisons in the private sector

The second demarcation we now have to make regards the type of work incapacity to be covered in further inquiry. Earlier investigations (e.g. Pfaff et al, 1986; Prins, 1990) made us aware of certain limitations in benefit-related statistics on short-term work incapacity. Here we will again compare conceptual and statistical aspects subsequently, to allow a decision on the inclusion of temporary work incapacity in our comparisons.

5.4.1. Sickness

We firstly have to compare the differences and similarities between our countries that may be derived from the sickness benefit arrangements (qualifying criteria, duration of benefits payment, etc.).

Table 5.2. gives an overview of major conceptual aspects of sickness benefits arrangements. In trying to obtain a common basis for comparisons we are faced with substantial dissimilarities:

a. the populations covered are not identical: e.g. in several countries persons with a (very) short employment period are not qualified to claim sickness benefits, and consequently, are not included in the population of insured. As this category of employees only comprises a small proportion of the entire population of insured, incomplete inclusion will not create serious problems;
b. only for the Netherlands temporary work incapacity due to sickness also includes occupational injuries and diseases; in other countries these risks are covered by separate programmes. For a proper comparison this will require either the exclusion of work-related work incapacity from Dutch figures or the addition of sickness absence figures from other countries with their occupational injury data (cf. Section 5.4.2);
c. for three countries the receipt of sickness (and injury) benefits is preceded by a period of compulsory full wage payment, with durations which vary within and between countries. These periods may cover a considerable proportion of sickness absence days and spells. For Belgium and Germany it was estimated that 78% (B) and 94% (G) of spells, covering 23% (B) and 62% (G) of days lost, are compensated by wage payment (Prins, 1990);
d. private sector arrangements vary regarding the number of waiting days applied at the onset of work incapacity and also differ considerably in the demarcation (maximum duration) with invalidity. The former aspect is of minor relevancy whereas the latter will require adaptations for some countries to allow a sound comparison.

These conceptual differences do not a priori have to restrict the inclusion of temporary work incapacity in our study, if sufficiently detailed information would be sufficiently available to allow adaptations and corrections to create a common comparative basis. To that end we considered the statistical sources on temporary work incapacity or absenteeism, due to sickness available in each country.

The first conclusion to be drawn is that our countries under study show a wide variety regarding the number, type and quality of data sources on our subject. The measurement of temporary work incapacity may be based on a range of data collection techniques (e.g. process data from sick funds, company surveys, household surveys).

Table 5.2 Main conceptual characteristics of private sector arrangements for income replacement in case of sickness

	B	DK	F	G	N	UK
- self-employed covered by same arrangement?	no	yes	no	no	no	yes
- civil servants covered by same arrangement?	no	partly	yes	partly	no	yes
- insurance period required	400 working hours (during last 6 months)	20 working hours (during last 3 months)	200 working hours (during last 3 months)	no minimum required	no minimum required	contributions paid for flex. period.
- inclusion of occ. injuries and diseases	no	no	no	no	yes	no
- waiting days applied	1	none	3	none	none	3
- initial continuation of full wage payment	2-4 weeks	yes, variable duration	no	6 weeks	no	no
- max. duration of benefit payment	52 weeks	52 weeks	52 weeks (with exceptions)	78 weeks	52 weeks	28 weeks
- accumulation with other benefits	yes	yes	yes	yes	yes	yes
- maternity benefit period incl.	14 weeks	28 weeks	16 weeks	14 weeks	16 weeks	18-22 weeks

We will shortly indicate available statistics and relevant inquiries and analyse the most appropriate source for each country (cf. Table 5.3):

a. Although employers, organizations incidentally inquire sickness absence rates in their member firms, for Belgium only one source is available on a regular basis, namely statistics derived from the sickness benefits administration;

b. For Denmark we also have to rely on one source, namely statistics based on process data from social security;

c. In France several sources provide rates on work incapacity due to sickness: the variety in their outcomes merely have a technical background. Crude sick fund data, based on full recording or derived from a sample of insured, differ from rates based on employers surveys or household surveys (on employment). Regarding criteria of representativeness, refinement, additional characteristics, etc. only the social security sources will be taken into further consideration (cf. Pfaff et al, 1986);
d. Rates on short term work incapacity in German employees may be based on different sources. Each covers only a part of the entire population of insured (statistics provided by local or sectoral sick funds), and sources show variations regarding the phenomenon measured (e.g. the absenteeism survey in German industry in a voluntary sample of firms; Salowsky, 1991). Regarding necessary detailed information on population variables and work incapacity indicators the sickness absence statistics of local sick funds are most favourable for further inclusion in our comparison of sources (Prins, 1990);
e. Also the Netherlands show several sources on temporary work incapacity or sickness absence, either based on voluntary recording and reporting systems, household surveys, or social security statistics. Most opportunities for adaptations to create comparability in a cross-national context are provided by the sickness benefits statistics ("Omslagleden");
f. Data sources on short term work incapacity are rare in the United Kingdom. Except limited information from general household surveys, on a regular basis only social security statistics are available which, due to their scope, come into consideration for further examination.

Table 5.3 now gives an overview of similarities and differences which may be noted regarding the sources selected and their data necessary to allow further comparisons. In search for adequate data sources here also several restrictions were noted:

a. statistics do not adequately include work incapacity during waiting days applied (e.g. the Netherlands, Belgium);
b. non-certified spells of sickness absence are not fully recorded (e.g. in Germany: spells lasting 1-3 days are considered to be underreported);
c. first weeks of work incapacity (during periods of continuation of wage payment) are not covered in statistics (Belgium);
d. also substitution of sickness benefits by employers sick pay (during 28 weeks) is recorded very crudely in UK statistics (which contain merely financial information).

Table 5.3 Availability of statistical data on sickness from major sources in each country

	B	DK	F	G	N	UK
Demarcation of						
- self-employed	+	+	irrel.	+	irrel.	-
- civil servants	not incl.	-		partly	not incl.	-
- occ. injuries and diseases	not incl.	not incl.	+	not incl.	+	not incl.
- maternity leave periods	-	+	+	-	+	-
Data available on						
- numbers of spells	+	+	-	+	+	-
- numbers of days	+	+ (weeks)	-	+	+	+
- duration per spell	+	+	-	+	+	-
- benefits paid	+	+	+	+	+	+
Data on sickness during						
- waiting days	-	-	-	irrel.	+	irrel.
- wage payment periods	-	-	irrel.	partly	irrel.	irrel.
Age distributions known for						
- insured	+	+	+	+	+	-
- beneficiaries	+	+	-	+	+	-
Sex distributions known for						
- insured	+	+	+/-	+	+	-
- beneficiaries	+	+	-	+	+	-
Breakdown available by						
- industrial sector	-	+	-	-	+	-
- main diagnostic group	-	-	-	+	+	-

Due to the serious cross-national variations in income replacement arrangements for short term work incapacity, as well as in considerable differences in recording and reporting procedures, two recommendations can be made now:

a. In order to demarcate a common concept and measure for our countries, work incapacity due to sickness can not be included entirely. Instead, only spells with a minimum duration of some weeks should be included, to allow comparisons which are least restricted by peculiarities in national arrangements or data sources. Our examination indicates that the borderline can be laid with periods of sickness absence lasting over four weeks. This borderline is forced upon us by the lack of Belgian data on spells lasting less than four weeks. For all other countries, at least an estimate of these spells can be made, which thus can be subtracted from the raw figures.
b. Also a second selection can be made: due to very restricted data sources (cf. Table 5.3), both regarding the available indicators (spells, days) and population parameters (age, gender), France and the United Kingdom should not be included in further quantitative analysis.

In the following section the inclusion of work incapacity due to work-related risks will be considered.

5.4.2. Occupational injuries and diseases

For a proper comparison not only work incapacity due to sickness should be included. To allow full comparison with the Dutch situation our measure should comprise both work and non-work related types of work incapacity. Before making a close examination of available data in each country two general observations can be made.

Firstly, occupational accidents and diseases show to comprise a very limited proportion of temporary work incapacity. For the Netherlands it can be estimated, that reported occupational injuries comprise maximally 3% of work incapacity days (Centraal Bureau voor de Statistiek, 1989). In countries with a large industrial sector or better recording and reporting procedures this proportion may be somewhat higher. But even then occupational injuries and diseases just moderately contribute to the level of temporal work incapacity.

Secondly, as ILO-sources illustrate, occupational injuries are the only health risk for which already some international statistics are published regularly (ILO, 1990). For this "traditional" work related health risk in most countries some elementary statistics are available.

Despite this common feature, some differences have been found, however, regarding available information on work incapacity due to occupational risks:

1. In Belgium mostly some private insurance companies administer compulsory occupational insurance arrangements. Statistics on temporary and permanent work incapacity are quite extensive. However, they are published with a great delay (about 5 years).
2. Danish sources also show to contain elementary statistics on temporary and permanent work incapacity due to work-related hazards (injury, diseases). Nevertheless, experts indicate a considerable degree of underreporting of occupational injuries with temporary work incapacity.
3. Statistics on occupational injuries and diseases in France are quite detailed, extended and allow flexible adaptations to integrate work-related work incapacity in a general concept and measure.
4. In Germany the occupational injury funds provide a variety of statistics on work injuries and occupational diseases. The abundance of material satisfactorily permits additions and corrections for the inclusion of temporary work incapacity in an integrated definition.
5. Temporary work incapacity due to industrial injuries and diseases are not fully recorded and can not clearly be discerned in Dutch statistics. These data are derived from sickness benefit records, and show a restricted completeness (Prins, 1983).
6. For the United Kingdom we have to consider that statistics not only on sickness absence, but also on absences due to occupational injuries are restricted. Social security statistics are only available regarding persons receiving "Industrial Injuries Disablement Benefits" (IIDB). These are paid until 90 days have passed since the date of accident or date of onset of a prescribed disease.

From our inspections the conclusion can be drawn that, with an exception of the United Kingdom, for almost all remaining countries available data on temporary work-related incapacity allow the application of corrections and estimates for cross-national comparable measurements. In general even better statistics can be found on permanent disability due to occupational injuries or diseases. It may be concluded that with the exclusion of one country (U.K.) no serious obstacles will be met to integrate estimates on occupational work incapacity in a national work incapacity measure.

5.5. Invalidity in the private sector

All six countries under study differ in the definitions applied in their invalidity arrangements: both the populations covered and eligibility conditions applied show several differences across all countries. Thus, from the onset there is no "conceptual equivalence" underlying a crude comparison of the number of invalidity benefit recipients in the countries. So we firstly will describe main differences in definitions, etc.; subsequently we will consider whether the data sources in each country are detailed enough to allow re-calculations on a more equivalent basis.

5.5.1. Variations in arrangements

It is not easy to determine, which elements of benefit arrangements are "merely" a technical matter of definitions, and which are intrinsic characteristics of the arrangement. This is an important methodological point to our study: one question for the further stages of this study will be, in how far any differences in prevalence of invalidity benefits that may remain after correction for technical differences in definitions, might be accounted for by differences in the intrinsic characteristics of the arrangements. This implies that the "technical" conceptual differences are regarded as artificial, which have to be controlled for whereas intrinsic differences are considered as more important.

But is the distinction that clear? To give an example: in most countries a certain - though varying - insurance period is required for eligibility for invalidity pensions. On the one hand this might be regarded as a rather technical difference in populations covered: the longer insurance period required, the smaller the remaining population covered. Thus for the sake of conceptual equivalence one should correct all national figures for this difference in population covered (assuming that available data are adequate for such corrections).

On the other hand, one might as well argue that the insurance period required is an intrinsic element, possibly explaining a part of "real" differences in international figures, which thus should *not* be ruled out by re-calculations in advance.

Thus, distinguishing between technical definitions and intrinsic elements of arrangements is sometimes a matter of choice, but this choice is a crucial one from a methodological point of view. The extent to which technical corrections are made determines for each country in how far differences in arrangements, which might have explanatory value, can be examined in further analysis.

short description of the main conceptual characteristics, with regard to comparability of figures.

Table 5.4 *Main conceptual characteristics of private sector invalidity benefits arrangements*

	B	DK	F (RG)[a]	G	N (WAO)	UK
- self-employed covered by same arrangement?	yes	yes	no	no	no	yes
- civil servants covered by same arrangement?	no	part	yes	no	no	yes
- are occupational injury/disease included?	no	yes	no	no	yes	no
- minimum degree of incapacity?	67%	50%	67%	50%	15%	none
- number of invalidity categories?	1	4	2	2	7	1
- moment of evaluation: fixed or flexible?	fix.	flex.	flex.	flex.	fix.	fix.
- (maximum) waiting period for eligibility (weeks)?	52	-	-	(78)	52	28
- benefit level (% of wage)	40-65	FR[b]	30-50	15-80	20-70	FR[b]
- is accumulation with other benefits possible?	yes	yes	yes	yes	yes	yes
- maximum duration of benefits payment	F60 M65	67	60	65	65	F60 M65

a. Régime Général
b. Flat rates

The only characteristic common to all countries is that *accumulation of invalidity benefits* with other kinds of benefits is possible. This common trait, however, hardly facilitates comparison across countries: both for numbers of beneficiaries and for amounts involved, a disentangling of statistics on several arrangements would be needed in all countries.

The *populations covered* are different in all three respects mentioned in Table 5.4:

- in three countries self-employed are included in the arrangements (and will thus have to be counted out of comparative figures);
- in two countries (and to some extent Denmark as a third) the same goes for civil servants, which also requires some corrections in figures;

- the normal pensionable age (at which beneficiaries usually are transferred to the old age pension scheme) shows differences across countries; for correction of this difference, age-specific figures for several countries will be needed.

As to *risks covered*, in two countries (Denmark and the Netherlands) loss of income due to *occupational injuries* is covered by the general invalidity arrangement (although supplementary benefits from other arrangements may occur), in the other countries separate schemes apply. In theory this leaves two possibilities for correction: either subtracting cases of occupational injury from Dutch and Danish figures, or adding data on both kinds of benefits for the other four countries. As in the Netherlands, at least, no reliable distinction can be made between occupational and other kinds of invalidity (thus precluding the subtraction method), for other countries an addition is required of the general invalidity arrangement and the occupational injuries arrangement (which, again, may lead to problems of "double counting" in statistics, as accumulation of benefits from both arrangements may occur).

The *minimum degree of incapacity* required for eligibility in most countries is either 50% or 67%, the Netherlands being the obvious exception. For sake of comparison, the distinction should be laid at either 50% or 67%, subtracting Dutch figures on lower degrees of work incapacity. This point also covers differences in the number of invalidity categories, which usually is directly linked to the minimum degree of incapacity.

The *moment of evaluation* is fixed in three countries (which implies the existence of a certain waiting period) and flexible in the others. Especially the systems with flexible evaluation moments pose a problem of comparison: sometimes, a benefit might be awarded almost from the onset of sickness, in other cases a year or more of sickness may have preceded entry into an invalidity pension. As indicated before the possible solution would be to combine figures from the invalidity pension arrangement with those from the (short-term) sickness benefit arrangements.

5.5.2. Availability of national data

If any corrections in figures for conceptual discongruities are to be made at all, available data of course must be adequate to allow such re-calculations. In this sub-section we will discuss the provision and (alleged) quality of data on disability beneficiaries (in the private sector) from national sources in the six countries.

As to (un)availability of data, one general reservation should be made. From our study we can report about some data that are available. Despite information from various sides in each country no easy conclusions can be drawn, however, about definite *un*availability of data. Who will guarantee that some possibly useful data do not exist? Maybe some unknown drawer in a National Bureau of Statistics contains exactly the tables needed! Thus, in this section where we indicate "unavailability" of data we do not rule out the possibility that such data do exist. We merely show that our search did not lead to satisfactory results, so that strategies for further research must assume the unavailability of certain data. (Of course we will welcome anyone who can point to relevant data sources we missed.)
In this section we will consider data on numbers of persons (numbers of insured, numbers of benefits recipients). Data on the financial volume of arrangements often have a somewhat different nature and will be discussed in the next section.

For cross-national comparisons of numbers of *invalidity pensions paid* (prevalence), the number of benefits current at a certain date, as well as numbers of *new recipients* per year (incidence) and of *completions* per year are almost a prerequisite. In all six countries except the UK these basic data are available, although the Danish situation is not quite clear as to completions. An interesting question with regard to further research strategies is whether appropriate time series data are available.

In the previous section we discussed some conceptual differences between the countries that one might want to correct in order to obtain more valid, comparable figures. The question then arises whether national statistics and data sources allow such corrections. Correction for all differences obviously requires several specifications and breakdowns in figures. In many countries corrections for the population covered, for addition of invalidity pensions and occupational injury pensions, and for minimum degrees of disablement would be required. Furthermore, conceptual comparability of figures has more aspects to it than the definitions applied by the arrangements. Also the *"risk structure"* of national populations may differ and thus cause irrelevant differences in numbers of invalidity benefits. For example, as age and health status (and, consequently, the risk of invalidity) are interrelated, differences in age structure of working populations will be reflected in numbers of invalidity benefits, disregarding the contents of the arrangement. Similarly, differences in sex distribution or in employment over industrial sectors may by themselves cause cross-national differences in invalidity rates.

Here again an important question arises, namely which differences in risk structure should be considered irrelevant or artificial - and ruled out by re-calculation or standardization - and which are the really important differences?
Correction for age and sex distribution differences is regarded "standard procedure" in some previous studies, and not without warrant. Age and sex are related to invalidity risks, and countries differ considerably as to age structure and proportion of male/female workers. Consequently we will require at least these distributions to be known in order to allow valid comparisons.

Breakdowns of invalidity figures by *industrial sector* and by *diagnostic groups* in our view are not required in order to obtain valid comparisons, but can be helpful in understanding and interpreting differences. We therefore include these variables in Table 5.5, which summarizes the availability of data in the six countries.

The general data situation in our countries under study may be characterized as follows. For all countries, the *numbers of recipients* at a certain date (typically December 31, but sometimes June 30) are reported. The numbers of *new recipients* and *completions* per year are available in all but the UK (in Denmark no explicit tables on completions were found, but data can almost certainly be obtained).
Recency of such data is satisfactory in all countries (yearly figures are often published one to two years after), with the exception of Belgian figures regarding occupational injuries, where a time lag of about five years exists.
Time series as to gross numbers of recipients may be constructed for all countries; for Denmark there might be a rupture around 1984 when a new pension system was introduced, and for the UK the validity of time series over longer periods has been questioned.

Table 5.5 Availability of relevant statistical data on invalidity

	B	DK	F	G	N	UK
Data on numbers of:						
- benefits current at date X?	+	+	+	+	+	+
- new recipients per year?	+	+	+	+	+	-
- completions per year?	+	?	+	+	+	-
Recency of data	+/-	+	+	+	+	+
Time series available?	+	+/-	+	+	+	+/-
Demarcation of private sector employees within population at risk possible?	+	+	-	irr.	irr.	-
Demarcation of private sector employees within beneficiaries possible?	+	+	-	irr.	irr.	-
Addition of invalidity through occupational injury possible?	+/-	irr.	+/-	+	irr.	+
Can accumulations of benefits be disentangled?	-	?	-	-	-	-
Correction for disability levels < 50% possible?	irr.	irr.	irr.	irr.	+	irr.
Age distributions known for						
- population at risk?	+	+	+/-	+	+	-
- beneficiaries?	+	+	-	+	+	+
Sex distributions known for						
- population at risk?	+	+	+/-	+	+	-
- beneficiaries?	+	+	-	+	+	-
Breakdowns available by						
- industrial sector?	-	+	-	-	+	-
- diagnostic groups?	+	+	-	+	+	+

+ = satisfying data available
- = no known data available
irr = irrelevant, implied by arrangement

In France and the UK no redefinition and further demarcation of populations and beneficiaries to the private sector employees seems possible; in France, the civil servants and in the UK both self-employed and civil servants are immersed in the general statistics and can reportedly not be distinguished from the rest. In other countries, however, *restriction of*

figures to private sector employees (though including State employees without civil servant's status) is either implied in the arrangement or can be obtained from national data sources.

For most countries, *addition* of (persons with) disability benefits due to occupational injuries and diseases would be required to measure entire work incapacity levels. In Belgium the necessary data are available but only with a delay of several years; in France, although statistics on occupational injuries are quite detailed, data on numbers of (new) beneficiaries per year are poor. For other countries no serious problems may be expected.
In all countries attempts to accumulate figures on benefits from several sources may impose some problems. Double-counting of persons receiving benefits from invalidity pension schemes, occupational injury arrangements or unemployment schemes (and maybe other schemes as well) is not exceptional in all countries. The extent to which such double counting occurs is unknown.

As to *partially disabled persons*, the Netherlands is the only case where disablement levels under 50% are applied in general invalidity schemes; these may be eliminated from national statistics to obtain optimal comparability. Where occupational injuries are concerned the situation is more complicated in all countries (with an exception of the Netherlands): disablement levels under 50% are applied, which rather complicates possibilities of adding these beneficiaries to the number of "ordinary" invalidity beneficiaries.

Elementary data on *age and sex distributions* of populations at risk (at least estimates) and benefits recipients are not available for France and the UK. In the other countries, statistics seem to be satisfactory at this point.

Finally, distributions of beneficiaries over *diagnostic groups* are available for all countries but France. Distributions over *industrial sectors* were found only in Denmark and the Netherlands.

Summarizing the situation for the countries, we must conclude that the "data situation" in France and the UK does not permit valid and standardized comparisons. Both the demarcation of populations and information on the age distributions and proportions of female workers are lacking.

For the other countries certain re-calculations on a more united conceptual basis, and standardized as to age and sex distributions, are possible. This is not meant to say that no problems will arise. Especially, combining "ordinary" invalidity figures and occupational injury pensions may create distortions, as the risk of double counting cannot be ruled out completely; no large-scale errors seem to be involved, however. In the Belgian case, the delay in availability of data on occupational injuries poses problems. Possibly, estimates of more recent years can be based upon older figures, if these prove stable enough.
Most favourable statistical conditions are found in the Netherlands and in Denmark, where individual-level data bases containing relevant variables are available to provide adequate information (although at some expenses).

5.6. Comparability of financial data

More often than not, national statistics on sickness and disability are primarily *benefits statistics* (rather than statistics on beneficiaries) mainly designed to account for expenditures made. In this sense they are quite comprehensive: rather exact amounts are reported, based on population data (as opposed to sample survey data). Usually the beneficiaries statistics are largely derived from the benefit administrations in the sense that only benefit recipients are counted. (One exception may be noted: sometimes data on claimants, including rejected claims, are reported).
The amounts involved obviously are dependent on benefits levels, and furthermore on the tax system. E.g. in the UK and Germany invalidity pensions are not taxable; in Denmark, the supplements to the basic pension (disability and unemployability supplements) are not taxable. Thus gross amounts of benefits paid should at least be corrected for the gross/net wage ratio.

Any further correction or *standardization of financial volumes* is troublesome. Traditional measures, for instance "benefits paid as a percentage of gross domestic product", become rather weak if these benefits paid cover varying parts of the national populations. If one takes gross domestic product as the denominator, also the gross amount of benefits paid to all categories of the working population should be taken into account. Even if data for all categories would be available, comparability may be questioned just as much as comparability of numbers of persons. Standardizations for age or sex distributions (or for any other distributions, for that matter) are not feasible: breakdowns of amounts of benefits by these variables are lacking.

Another restriction is posed by the difference between *public and private* insurance arrangements. Usually in the calculation of financial volume only public arrangements are taken into account, whereas in practice this distinction may seem rather meaningless. Combinations between public/social insurance systems, obligations for employers to sign policies with private companies, and private insurance by individuals are to be found in all countries. Voluntarily arrangements, provided by collective labour agreements, are commonplace in many countries, but their financial weight can not always be estimated.

In several countries, sickness benefits and/or invalidity benefits and/or occupational injury benefits are included in the same scheme as *general health care expenditures*. General figures often combine these types of expenditures. For example, Eurostat social security statistics do not distinguish between income replacement expenditures and other health care expenditures. Usually in national statistics this distinction can be made, but the borderline may still remain vague. In France, for example, one of the levels of invalidity pensions includes an allowance for personal attendance by a third person; in other countries, this might be regarded an element of home care expenditures and consequently not be regarded as income replacement.
Especially as to sources of funds, often no distinction is made between income replacement and other risks insured. An extreme case is Denmark, where the whole invalidity scheme is tax-financed and consequently no "contribution percentage" for social pensions can be computed. Less extreme is the French case, where contributions for income replacement benefits are immersed in the general health insurance contribution.

It may be concluded that valid cross-national comparisons of financial volumes are more problematic than comparisons of numbers of beneficiaries. An advantage of financial data is that "double countings" will probably not occur: if one person benefits from both invalidity, occupational injury and unemployment benefits this will not pose problems to financial comparisons. But especially the collection of data on segments of the national population, the application of standardizations (e.g. as to age distribution), and disentangling benefits from other health care expenditures are more complex than in the case of comparing numbers of beneficiaries.

Chapter 6 Prospects for further comparative studies

6.1. Introduction

The basic problem underlying this feasibility study is the need for a proper insight in Dutch work incapacity levels vis-à-vis a selection of similar countries. To that end an overview is needed of valid and comparable indicators, which are minimally distorted by system-bound restrictions in available statistical information. Further inquiry should, subsequently, allow to assess whether (observed) higher rates for the Netherlands can be attributed to differences in benefits arrangements and their operation, extent and application of preventive measures, rehabilitation provisions and facilities, etc.

This pilot study concentrated on the question which opportunities can be identified to make a first comparative step, taking account of the existing social security context of our subject as well as statistical and research conditions in each country.

6.2. Main conclusions from explorations in six countries

The concept of work incapacity shows many variations within and between countries. Within countries considerable variations may be found between subjective definitions, which persons use in their daily life to evaluate their health status (and decision to stop or to continue working), and the formal-legal descriptions applied in social security arrangements. But also benefits schemes, rehabilitations programmes, etc. in one country may demonstrate considerable differences in content, criteria, operationalization and application of work incapacity concepts (cf. Klosse, 1989). So it will not surprise, that differences between countries are even more diverse and complicated. Cross-national variations in cultural values (as to health, work) or socio-economical conditions (e.g. labour relations, job security), affect a sound analysis and interpretation considerably.

In order to identify the opportunities for proper comparisons of work incapacity levels, for each country an insight is needed in (available information on) three related issues:

a. the number of (working age) persons with acute or chronic health restrictions due to diseases, injuries and impairments ("factual work incapacity");
b. the benefit arrangements for temporary or permanent work incapacity, including persons with health reductions, which qualified for income replacement. Also those arrangements which may function as an alternative route to leave the work force need attention (unemployment, early retirement);

c. the arrangements and measures applied to stimulate work force participation of persons with reduced health or handicaps (quota arrangements, rehabilitation programmes, etc).

Our inquiry on these issues resulted in extended descriptions (of arrangements), thorough examination of available data sources and conditions for further inquiry, and an overview of directions for making valid comparisons.

Two major conclusions have already been drawn in Chapter 5. Firstly, due to insufficient information conditions no direct comparison can be made (yet) regarding the supply of (persons with) health reductions in the working age population in each country. Consequently, there is no methodological basis for a comparison of the social security status (e.g. employed, sick, early retired, in rehabilitation) of persons with reduced health. Surveys containing information on health status *and* socio-economic status in a population are still lacking for most of our countries.

Secondly, a comparison of work incapacity levels based on a common concept and information derived (or estimated) from benefits, unemployment and rehabilitation statistics also meets too many complications. Consequently, within the framework of methodological requirements (e.g. conceptual similarity) and existing statistical conditions only a few strategies for further useful comparisons remain. In the next sections we will elaborate these strategies, namely: country monographs, socio-demographic standardization, unified measurement, and analysis of system bound mechanisms.

6.3. Country monographs: crude descriptions

Quantitative country monographs, based on (uncorrected, unstandardized) national statistics, can provide an answer to an important sub-question of our inquiry: *What are the extent and trends of measured disability in the countries under study, according to national or system-bound standards?*

This question can be considered the natural starting point for any further research, also for the other strategies named in this chapter. It entails a straightforward overview of "crude" figures from national benefit administrations, without correction for any background factors or conceptual incongruities. This study results in what may be called "quantitative self-portraits" of the countries under study. The level of disability can be expressed both in numbers of beneficiaries and in expenditures on benefits.

At this level, the question of expenditures is easiest to handle. All social security statistics are primarily benefits statistics, so that uncorrected amounts (and their development through the years) can be found for all countries. Problems of 'double counting' probably do not occur in expenditure statistics. If a certain standardization of definitions should be obtained, ESSPROS is probably the only (but not immaculate) possibility. Both national and international sources allow construction of time series of expenditures (only for Denmark problems may arise due to the integration of early pension arrangements during the '80's, which may blur the borderline between disability pensions and other arrangements since that time). The reverse side of this ease of data collection is that more sophisticated comparisons (corrections for background factors, definitions and the like) for expenditures are much more troublesome than for data based on numbers of beneficiaries (cf. Chapter 5). A rough correction for benefits levels and for taxation effects expectedly can be carried out, but further direct corrections for background factors are not feasible. Our proposals for research by standardization and redefinition (cf. Section 6.4 and 6.5) will therefore focus on corrections for numbers of beneficiaries only.

Descriptions of crude numbers of beneficiaries for a certain year can be made (for Belgium an estimate must be calculated for recent occupational injury figures). Also the in- and outflux of beneficiaries can be described for all countries with an exception of the UK. Time series may be described for four countries, whereas in Denmark and the UK these time series, although they can be constructed, will be flawed by system reorganizations during the last decade.

Limitation of figures (both of beneficiaries and of populations covered) to only private sector employees will not be possible for France and the UK; for these countries only the figures for the national systems (with their own demarcations of populations covered) can be reported.

In general, quantitative monographs may be prepared on all six countries (where for some countries much richer detail will be possible than for others); at least *some* figures are available for all countries. It should however be pointed out that further standardization and recalculation is not feasible for France and the UK. Thus, if country monographs should serve as a starting point for such further analysis, inclusion of these two countries seems less useful.

6.4. Standardization for demographic differences

In the cross-national analyses of health related issues the application of standardization for demographic differences, which may influence the 'risk structure' of the population, is regarded as a first requirement for comparability (cf. Pflanz, 1975). Usually this refers to variables as age and gender; sometimes also differences in economic structure are regarded as demographic differences that should be standardized for.

Standardization of disability rates requires three types of data:

a. A very clear demarcation of the "population at risk", that is, the population insured/covered by certain arrangements;
b. A breakdown of exactly this population at risk by the relevant demographic variables that will be taken into account (age, gender, possibly economic sector);
c. A breakdown of numbers of beneficiaries by the same demographic variables.

Furthermore, each country a similar relationship between these variables and invalidity rates should be observed.

In most social security statistics requirement a. is met satisfactorily, whereas b. creates the bottle neck. Even if these statistics are not available, estimation of the demographic structure of the population at risk may be derived from other sources (e.g. labour force surveys). This procedure should be carried out with great care: labour force survey definitions of persons counted as "working" and those who are covered by certain arrangements may not always be compatible with social security definitions (see the problems posed by Eurostats Labour Force Survey data, presented in Chapter 2).

Requirement c. is obvious. Unfortunately, French and British data do not meet this requirement, which precludes standardization of figures from these countries. Correction or standardization for age and gender thus is only possible for Belgium, Denmark, Germany and the Netherlands.

The final prerequisite, a similar statistical of association of invalidity (benefit receipt) and socio-demographic variables, can generally be confirmed by the analysis of available statistics. Furthermore they partly have already been reported in earlier investigations (cf. Haveman et al, 1984; Prins, 1990).

Corrections for differences in economic structure (employment by sector) would only be feasible for Denmark and the Netherlands. In Chapter 2 we concluded that the employment

structures of the six countries are not radically different (although Germany is somewhat deviant from the rest). Consequently, the complications involved in correction for these differences can be regarded as less relevant.

It can be concluded that a four-country standardized comparison of work incapacity is possible, making use of invalidity benefit data, and standardization for age and gender.

6.5. Unified definitions and measurements

This strategy (which may be combined with the previous one) should provide an answer to the sub-question: To what extent can observed differences in crude rates be ascribed to merely conceptual differences between the social security arrangements involved?

As pointed out in Chapter 5, one should be cautious in labelling differences between arrangements as 'merely conceptual'. Stretching the notion of 'conceptual differences' too far would mean that differences in arrangements that might have *explanatory* value a priori would be ruled out.

We therefore propose a conservative approach of re-definition, limiting unification of concepts to only the following respects:

a. Demarcation of the population at risk to private sector employees. This may entail some borderline problems (e.g., a varying proportion of state employees being counted as "private sector" employees in several countries, or some sectors - e.g., postal service - being private in some countries and public in others). However, no large-scale errors are involved in comparing private sectors; the demarcation problems usually pertain to only minor numbers of employees, compared to total numbers of private employees;
b. Inclusion of temporary work incapacity (due to sickness and injury) lasting over a period of four weeks (cf. Section 5.4) and long-term work incapacity, covered by the invalidity pension arrangements;
c. Inclusion of invalidity due both to illness and to occupational injuries/diseases. Problems of double-counting can not be avoided (except for the Netherlands, where there are no separate arrangements); estimates of these double countings have to be used;
d. Minimum degree of invalidity to be included in the comparisons: 50% is the minimum cut-off point, but a limitation to 67% (which in several countries is regarded as a minimum for "full invalidity") is the most valid demarcation point. Only with regard to occupational injury/disease this cut-off point poses problems, as in all countries these arrangements also cover degrees of invalidity under 50 or 67%. Estimations of the proportion of these cases of invalidity under 50 or 67% will have to be used. This will not lead to major

errors, as occupational injury/disease is a relatively minor phenomenon compared to other causes of invalidity;

e. Unifying the maximum age of insured and recipients to be included in the inquiry. A cut-off point at age 60 (at least for females) is the only one allowing "solid figures". Alternatively (less precisely but from the Dutch point of view more relevant) the exclusion might be put at age 65, which however would require an estimate of figures for Belgium and the UK (for females) and for all France.

This restricted unification of the concepts and (sub-) populations to obtain a common basis for comparisons requires the use of estimates for some countries. Just as was the case with demographic corrections, we must conclude that for France and the UK the limited availability of data precludes corrected comparisons.
Thus, comparisons of indicators of these "truncated" work incapacity concepts must necessarily be limited to the Netherlands, Belgium, Denmark and Germany.

A four-country comparison (re-calculating figures for all four on one common basis) is the strategy proposed so far in this section. Another approach would be to carry out pairwise comparisons. This strategy is an extension and refinement to the previous one. As can be seen in Table 5.4, for all pairs out of the four relevant countries an even more unified conceptual definition may be constructed than the "common divisor" mentioned at the corrected comparisons before. Especially, as our main interest is in comparing the Dutch figures to other countries, three pairwise comparisons would result (the Netherlands compared with Belgium, Denmark and Germany, respectively).
For example, the incapacity levels for the Netherlands taken into the comparison might be restricted to the classes 65% and over in comparison with Belgium, and to 45% and over in comparisons with Germany and Denmark. Some more refinements of this kind (again, as suggested by Table 5.4) are possible. As far as can be seen now, these refinements would only add minor improvements to a common four-country comparison. Thus a four-country comparison seems the best strategy regarding this sub-question.

6.6. Analysis and comparison of system-bound mechanisms

The three strategies elaborated in the previous sections all dealt with quantitative descriptive comparisons, starting with uncorrected crude figures and then increasingly focusing on

better comparability through standardization and conceptual re-definition. For four countries these strategies may be combined. The result would be a comparison of adapted, re-calculated work incapacity rates, which are truncated to allow satisfactory comparisons. If these rates would be more or less equal, we may conclude our investigation at that point: all international differences would be accounted for by demographic and merely conceptual factors.
This is not the most probable outcome, however, as the elementary statistics presented in Chapter 2 showed. In an earlier three-country comparison of sickness absence rates in comparable firms (Prins, 1990) standardization for age and gender yielded an increase of differences; the same might be expected in the case the analysis of work incapacity as proposed in this study.
If considerable differences are found, an explanatory analysis will be required. Do contrasts between the benefit arrangements themselves "produce" different numbers of work incapacity? And: which elements in these programmes in particular do account for these differences? Apart from further quantitative analysis this question requires a qualitative examination of the mechanisms of the arrangements operated in the countries. This might be achieved by investigating and comparing the operation of arrangements, using expert interviews, administrative process data, etc.

However, for this explanatory stage an alternative strategy may be applied as well. An expert meeting with participants from the countries involved may prove to be a satisfactory alternative to provide this "inside insight". An exchange of experiences across national borders can be most fruitful in suggesting explanations and hypotheses, as was found in an earlier investigation on a related subject (Andriessen et al, 1983).
The actual operation of disability arrangements themselves, and their interrelationship with adjacent social security arrangements, should be the main focus of such a qualitative analysis. In explaining differences in work incapacity rates, however, some other mechanisms will have to be taken into account as well. During our pilot study three factors were pointed out as possibly important, and thus worth to account for in a qualitatively-oriented analysis:

a. The actual *administration and operation* of arrangements may be much varying, quite apart from the formal description and content of the arrangements. An example: even within one country, it is well known that differences between individual social security bodies and doctors in interpreting and administering one and the same arrangement are striking. By the same token, the administration of social security itself may be a factor

of importance in cross-national differences, which cannot be identified by studying the formal arrangements;

b. In all countries *extra-legal supplements* to social security benefits are the rule rather than the exception. It would be erroneous to say, for example, that Dutch employees in case of illness only receive 70 % of gross wages after two waiting days (as implied by the formal Dutch sickness benefits regulations). In reality (by collective labour agreement) almost all employees receive full wage payment from the first day of illness. Daily practice, of course, is affected more by this last reality than by the baseline social security regulations;

c. It was pointed out that *protection against dismissal* of ill or disabled employees can be strongly varying from one country to another. This may be an important element in determining whether these employees will be referred to sickness or disability arrangements, or receive unemployment benefits. Furthermore, it may influence both employee's and employer's behaviour vis-à-vis long-term work incapacity.

Furthermore it can be remembered, that in several countries extended documentation was found regarding the application of rehabilitation measures, provisions for handicapped, etc., which can be taken into the comparisons.

This explanatory and qualitative strategy of considering the wider context and inside mechanisms in a number of countries is not necessarily connected to the quantitative approaches sketched in the previous sub-sections. For example, one might well to invite experts also from France and the UK to illuminate the actual operation of invalidity arrangements in their countries, without referring to standardized comparative figures. In that case one might try to jump directly from country monographs (as sketched in section 6.3) to explanations. This certainly is a realistic possibility, which can be put into practice at rather short notice.

In some respects it would be more advantageous to limit explanatory approach to the four countries that comparable figures can be computed for. In that case, there is less danger for experts to divert discussion towards conceptual and technical aspects; this might result in deeper and more fruitful insight into the mechanisms. This approach will however take some more preparation: the construction of standardized and comparable figures as a preparation to the explanatory approach takes its time.

6.7. Concluding remarks

The contents of previous chapters were of a quite a technical character which, due to the aim of the study, could not always be prevented. The major object of the excercitions carried out was to obtain a valid insight in the opportunities and conditions to compare work incapacity levels in the Netherlands with those in some other European countries.

Due to historical and organizational factors the research conditions on the one hand are not favourable enough for extended and complicated quantitative research. This observation is not new in the light of the experiences made by earlier investigators on the subject (cf. Haveman et al)(1984). On the other hand in most countries there also is a concern with the same developments in work incapacity and labour force participation which (maybe more strongly articulated) is noted in the Netherlands. This leads to a high degree of interest in foreign prevention and compensation programmes carried out in general, and in the results of cross-national comparisons in particular. So the direction recommended for further comparisons combines the chances of -be it limited- statistical inquiries with more qualitative elements to identify explanations and recommendations. In this way further cross-national inquiry may in a more direct way derive profits from foreign experiences.

PART II

Arrangements and Data Sources on Work Incapacity in Belgium, Denmark, France, Germany, The Netherlands and the United Kingdom

(As at 1.1.1991)

CONTENTS

Belgium

Belgium / Private Sector / Sickness

A. General Dimensions

1. *Current law*
   Act of 9 August 1963: Sickness and Invalidity Insurance Programme ("Ziekte- en Invaliditeits verzekering")

2. *Coverage*
   Wage earners salaried employees, unemployment benefit recipients, students.

3. *Definition of work incapacity*
   Insured ceased working directly due to sickness or functional limitations which are acknowledged to reduce his earning capacity to one third or less. "alle werkzaamheid heeft onderbroken als rechtstreeks gevolg van het intreden of verergeren van letsels of functionele stoornissen waarvan erkend wordt dat ze zijn vermogen tot verdienen minderen tot een derde of minder dan een derde..." (Art. 56, Wet 9.8.63).

4. *Other risks included*
   Maternity allowance, covering seven weeks before and seven weeks after confinement.

B. Cash Benefits

5. *Benefits payment*
   Wage earner: After continuation of full wage payment during two weeks by employer who subsequently supplements benefits up to 100% of earnings for 16 additional days.
   Salaried employees receive 100% payment of normal earnings for first 30 days of sickness; subsequently: sickness benefits.

6. *Adjustment for price changes*
   -

7. *Benefits level*
   - sickness benefits: 60% of gross earnings, which equals about 80% of net wages.
   - maternity benefits: 79,5% - 75% of earnings. Employer supplements first 30 days up to 100% of earnings.

8. *Maximum duration of payment*
   - sickness benefits: paid for remainder of first year of illness.
   - maternity benefits: from 6 weeks before untill 8 weeks after confinement.

9. *Extra-legal supplements*
   Employer may supplement sickness benefits. No data available on the scale of application.

10. *Completion of payment*
    - resumption of work;

- transfer to invalidity pension;
- tranfer to unemployment benefits arrangement (in case claim for invalidity benefit was not rewarded and employer ceased labour contract).

C. Qualifying Conditions

11. *Insurance period*
Six months of insurance, including 120 days of actual work, or 400 hours of working during last 6 months.

12. *Waiting period*
One waiting day, payable after two weeks of work incapacity, (no waiting days in case of maternity leave periods).

13. *Minimum loss of earning capacity*
The insured ceased all activities with at least a 2/3 loss of earning capacity, evaluated regarding his normal job (during first six months).
After six months: 2/3 loss is evaluated vis-à-vis his general qualification.

14. *Other restrictions*
On first day insured should forward a certificate on work incapacity from curative doctor (general physician, specialist).

D. Sources of Funds

15. *Insured person*
1.15% of covered earnings (contribution for invalidity pension included).

16. *Employer*
2.32% of covered earnings (contribution for invalidity pension included).

17. *Government*
Subsidy to sickness insurance only for some categories of health care expenditures (e.g. pensioners, widows).

E. Programme Operation

18. *Carrier*
Sick funds (mutual benefit societies) or Auxiliary Sickness and Invalidity Insurance Fund.

19. *Claim initiative*
Employee providing medical certificate on first day of work incapacity.

20. *Supervision*

During wage payment period: general physician on behalf of employer ("controlerend geneesheer").
During benefits payment period: social insurance doctor on behalf of sick fund ("adviserend geneesheer").

F. Other Programme Elements

21. *Health care expenditures*
Included: partial reimbursement of medical expenses ("remgeld").

22. *Prevention measures*
Not provided by sickness insurance.

23. *Rehabilitation measures*
From 1.1.1991 rehabilitation measures are included in sickness insurance programme and recommended by initiative of the sick fund social insurance doctor. Until 1991 they were provided by the National Fund for te Reintegration of Handicapped ("Rijksfonds voor Sociale Reclassering van de Minder-validen"). Since 1991: coordinated by the "National Sickness and Invalidity Insurance Institute" (RIZIV) and carried out by the communities.

G. Major Data Sources

24. The coordinating body "National Sickness and Invalidity Insurance Institute" (RIZIV), annually provides extended statistical overviews on insured, benefits paid spells of work incapacity, new pension recipients, exclusions, etc. Data do not include work incapacity during compulsory wage payment periods.

Belgium / Private Sector / Work Injury, Occupational Disease

A. General Dimensions

1. *Current law*
   Act of 10 april 1971: occupational accidents ("Ongevallenverzekering").
   Royal Decree of 3 June 1970: occupational diseases ("Beroepsziektenverzekering").

2. *Coverage*
   All employees (except public sector), students.

3. *Definition of work incapacity*
   Evaluation of consequences of injury or occupational disease in the light of general restrictions imposed on the employee.

4. *Other risks included*
   - commuting accidents: accidents during travelling between home and place of work.

B. Cash Benefits

5. *Benefits payment*
   After 30 days of full wage payment by employer.

6. *Adjustment for price changes*
   Yes

7. *Benefits level*
   - temporary **partial** work incapacity: benefits amount difference between previous earnings and earnings before full recovery;
   - temporal **total** work incapacity: after wage payment period: 90% of average earnings;
   - permanent **partial** and **full** work incapacity (invalidity): employee receives benefits conform to work incapacity assessed;
   - in case of permanent **total** invalidity: additional benefits for (care by another person) and dependants.

8. *Maximum duration of payment*
   - temporal work incapacity: Up to recovery or consolidation and assessment of permanent disability, respectively;
   - permanent invalidity: no restrictions.

9. *Extra-legal supplements*
   No information available.

10. *Completion of payment*
    - recovery, restoration of work capacity;
    - assessment of permanent disability: often conversion to lump sum.

C. Qualifying Conditions

11. *Insurance period*
No minimum period required.

12. *Waiting period*
None

13. *Minimum loss of earning capacity*
No minimum percentage.

14. *Other restrictions*
Evaluation regards the kind and consequences of occupational injury.
Labour market conditions are not accounted for.

D. Sources of Funds

15. *Insured person*
No contribution.

16. *Employer*
Average premium for private insurance 3%, depending on sector and level of risk. Furthermore compulsory contribution to Occupational Accidents Fund ("Fonds voor Arbeidsongevallen"): 0,3% and Occupational Disease Fund: ("Fonds voor Beroepsziekten"): 0,45%.

17. *Government*
None

E. Programme Operation

18. *Carrier*
Private accident insurance company or "Occupational Accidents Funds" ("Fonds voor Arbeidsongevallen").
Occupational Disease Fund ("Fonds voor Beroepsziekten").

19. *Claim initiative*
In case of temporal disability: employee.
In case of invalidity: insurance company.

20. *Supervision*
Evaluation of consequences of accident or physical handicap.
After consolidation during first three years: re-evaluation.

F. Other Programme Elements

21. *Health care expenditures*
Included: full reimbursement of medical costs.

22. *Prevention measures*
Not included in arrangements. Insurance funds provide information and advice on protection on the work place.

23. *Rehabilitation*
The Occupational Disease Fund and the National Sickness and Insurance Institute may pay or provide job adaption and training for employees with at least a level of work incapacity of 30% (mentally handicapped: 20%).

G. Major Data Sources

24. Statistics on Occupational Accidents ("Statistiek van de Arbeidsongevallen. Dienstjaar..") are published by the National Institute for Statistics. This yearly publication, however retarded, contains statistics on compensated accidents as to type of injury, number of work incapacity days, degree of permanent disablement, socio-demographic characteristics, etc. Most recent year of observation: 1985.

Belgium / Private Sector / Invalidity

A. General Dimensions

1. *Current law*
   Act of 9 August 1963. Sickness and Invalidity Insurance programme ("Ziekte- en Invaliditeitsverzekering").

2. *Coverage*
   Wage earners, salaried employees, miners, unemployment benefit recipients, contractually early retired.

3. *Definition of work incapacity*
   As a direct result of sickness of functional limitations the worker cannot earn more than one third of the normal earnings of a worker in the same category and with the same training.("alle werkzaamheid heeft onderbroken als rechtstreeks gevolg van het intreden of verergeren van letsels of functionele stoornissen waarvan erkend wordt dat ze zijn vermogen tot verdienen verminderen tot een derde of minder dan een derde..." Art.56, Wet 9.8.63).

4. *Other risks included*
   None

B. Cash Benefits

5. *Benefits payment*
   After one year of primary work incapacity (sickness benefits payment).

6. *Adjustment for price changes*
   Automatic adjustment according to changes in consumer prices index.

7. *Benefits level*
   Single: 45% of lost earnings.
   Member of couple (with two incomes): 40% of lost earnings.
   If dependents: 65%.
   All benefits with fixed minimum and maximum.

8. *Maximum duration of payment*
   Up to normal pension age: 60 (females) or 65 (males).

9. *Extra-legal supplements*
   Child-allowances are increased in case of invalidity pension receipt.

10. *Completion of payment*
    - after exclusion, due to re-examination;
    - reaching normal pension age (male 65; female 60);
    - resumption of work.

C. Qualifying Conditions

11. *Insurance period*
6 months, with 120 days worked.

12. *Waiting period*
One year of primary work incapacity.

13. *Minimum loss of earning capacity*
2/3 of earning capacity evaluated vis-à-vis general labour market conditions (other jobs with similar level of qualification).

14. *Other restrictions*
-

D. Sources of Funds

15. *Insured person*
1.15% of covered earnings (contributions for sickness benefits included).

16. *Employer*
2.32% of covered earnings (contributions for sickness benefits included).

17. *Government*
None

E. Programme Operation

18. *Carrier*
Local sick funds, coordinated by National Sickness and Invalidity Insurance Institute ("Rijksinstituut voor Ziekte- en Invaliditeitsverzekering").

19. *Claim initiative*
Six weeks before the end of sickness benefit payment (maximally 52 weeks) sick fund forwards request for evaluation with proposal for period of invalidity pension payment.
Evaluation by Medical Council for Invalidity ("Geneeskundige Raad voor de Invaliditeit").

20. *Supervision*
In case of temporal invalidity benefit award: social insurance doctor may request continuation of invalidity pension payment.

F. Other Programme Elements

21. *Health care expenditures*
Included (in general programme).

22. *Prevention measures*
Not included.

23. *Rehabilitation*
Sick fund may recommend "job orientation" or rehabilitation measures, but decision to apply is up to the client. In case of refusal: 10% reduction of benefits.

G. Major Data Sources

24. The "National Sickness and Invalidity Insurance Institute" annually publishes financiel and statistical data on invalidity pensions and recipients, completions, etc.

Belgium / Public Sector / Sickness

A. General Dimensions

1. *Current law*
   Royal Decree of 1 december 1964 ("Koninklijk Besluit" van 7 december 1964).

2. *Coverage*
   Employees in public sector, except those with a temporary contract.

3. *Definition of work incapacity*
   Unability to work due to infirmity or illness ("ongesteldheid of ziekte").

4. *Other risks included*
   Maternity allowance.

B. Cash Benefits

5. *Benefits payment*
   After a period of compulsory full wage payment. Each year of employment adds one month to the period of full wage payment ("Ziekteverlof-kapitaal").

6. *Adjustment for price changes*
   -

7. *Benefits level*
   60% of gross earnings (equals about 80% of net earnings). In case of serious and lasting illness retroactive payment up to 100% of earnings.

8. *Maximum duration of payment*
   No maximum.

9. *Extra-legal supplements*
   None

10. *Completion of payment*
    - resumption of work (spontaneous or after evaluation of work capacity by pension committee);
    - transfer to invalidity pension.

C. Qualifying Conditions

11. *Insurance period*
    None

12. *Waiting period*
    None

13. *Minimum loss of earning capacity*
66 2/3%.

14. *Other restrictions*
Employee should provide a medical certificate within 24, hours to qualify for wage payment continuation and sick pay.

D. Sources of Funds

15. *Insured person*
No contribution paid.

16. *Employer*
Public budget.

17. *Government*
-

E. Programme Operation

18. *Carrier*
Employer

19. *Claim initiative*
Employee by forwarding a medical certificate.

20. *Supervision*
Carried out by medical advisor of regional medical centers (Ministery of Health), on request of employer.

F. Other Programme Elements

21. *Health care expenditures*
Not included in public programme but partially covered by sick funds.

22. *Prevention measures*
Not included in benefit arrangement.

23. *Rehabilitation*
Not included in benefit arrangement. If employee is capable to be employed in other or adapted job which cannot be offered within one year: automatical transfer to invalidity pension.

G. Major Data Sources

24. No central data or statistic sources on work incapacity due to sickness available, Regional Medical Centers annuallycollect gross rates of work incapacity due to sickness and maternity allowance; occupational accidents not included.

Belgium / Public Sector / Work Injury, Occupational Disease

A. General Dimensions

1. *Current law*
   Act of 3 juli 1967 ("Wet van 3 juli 1967").

2. *Coverage*
   All persons with permanent employment contract to public employers.

3. *Definition of work incapacity*
   Temporary work incapacity: unfitness for work due to an occupational accident or accident during travelling between home and work place.
   Permanent work incapacity: reduction of earning capacity related to degree of physical restrictions.
   Economic or social conditions are not accounted for.

4. *Other risks included*
   -

B. Cash Benefits

5. *Benefits payment*
   Payment of full wage until stabilized status and evaluation of degree of residual permanent disability.
   Subsequently: cash benefit payment.

6. *Adjustment for price changes*
   Automatic adjustment by index of consumption prices.

7. *Benefits level*
   In case of temporal work incapacity: no benefits paid but full wage payment by employer.
   In case of permanent work incapacity: level of benefits paid corresponds to degree of physical restrictions.

8. *Maximum duration of payment*
   Temporal and permanent work incapacity: flexible, no fixed maximum.

9. *Extra-legal supplements*
   - Supplementary cash benefits in case of hospitalization.

10. *Completion of payment*
    - temporal work incapacity: wage payment until resumption of work or assessment of degree of permanent invalidity;
    - benefits until death or replaced by lump sum;
    - permanent: until death.

C. Qualifying Conditions

11. *Insurance period*
None

12. *Waiting period*
None

13. *Minimum loss of earning capacity*
No minimum.

14. *Other restrictions*
-

D. Sources of Funds

15. *Insured person*
No contributions paid by employee.

16. *Employer*
Local and regional government pay contribution to (private) accident insurance companies.

17. *Government*
cf. Employer

E. Programme Operation

18. *Carrier*
Public employer, although employer may re-insure with private company

19. *Claim initiative*
Employer

20. *Supervision*
Medical adviser from regional social-medical centers (Ministery of Health).

F. Other Programme Elements

21. *Health care expenditures*
Included.

22. *Prevention measures*
Not included.

23. *Rehabilitation*
Not included in arrangements.

G. Major Data Sources

24. No separate statistics available on work incapacity due to occupational accidents in the public sector. Some large public employers (e.g. national railway company) with comparable benefits arrangements collect and publish some elementary statistics.

Belgium / Public Sector / Invalidity

A. General Dimensions

1. *Current law*
   Royal Decree of 1 december 1964 ("Koninklijk Besluit" van 1 december 1964).

2. *Coverage*
   All persons permanently contracted by public employers.

3. *Definition of work incapacity*
   Loss of earning capacity vis-à-vis minimum requirements of present job.

4. *Other risks included*
   -

B. Cash Benefits

5. *Benefits payment*
   After assessment of degree of reduction of work capacity and transfer to pension programme.

6. *Adjustment for price changes*
   Yes

7. *Benefits level*
   Invalidity pension is based on assessed degree of invalidity regarding the present job.

8. *Maximum duration of payment*
   No maximum.

9. *Extra-legal supplements*
   -

10. *Completion of payment*
    - temporary invalidity pension: resumption of work, exclusion after restoration of work capacity;
    - permanent invalidity: payment until death.

C. Qualifying Conditions

11. *Insurance period*
    None

12. *Waiting period*
Compulsory wage payment period, length depending on number of years employed.

13. *Minimum loss of earning capacity*
No minimum, but in general two categories are applied: more or less than 66 2/3 %.

14. *Other restrictions*
-

D. Sources of Funds

15. *Insured person*
None

16. *Employer*
No special contributions applied; invalidity pension contributions are included in general pension arrangement for public servants.

17. *Government*
None

E. Programme Operation

18. *Carrier*
Employer

19. *Claim initiative*
After exhaustion of the compulsory wage payment period the employer requests medical evaluation of invalidity by pension committee ("pensioencommissie").

20. *Supervision*
Physician of 13 regional centers for sociol-medical service.

F. Other Programme Elements

21. *Health care expenditures*
Provided by sick funds.

22. *Prevention measures*
Not included in programme.

23. *Rehabilitation*
Not included in programme.

G. Major Data Sources

24. No central statistics on invalidity pension recipients, benefits paid, etc. available. Each separate employer (on a national, regional, local level, or railway and post services, etc.) is obliged to report minimum information annually (i.e.: number of persons rewarded invalidity pension).

Belgium / Related Arrangements

A. Unemployment

1. *Current law*
Royal Decree of 1 October 1986 ("Koninklijk Besluit" van 1 oktober 1986). Belgian arrangements also cover partial unemployment days due to temporary suspension of labour contract.

2. *Coverage*
Employed persons and apprentices, with the exclusion of public employees.

3. *Eligibility conditions*
Insurance period required is varying from 75 working days (in last 10 months) to 600 working days in last 36 months.
Registration at unemployed office; insured should be capable, willing and available for work.

4. *Benefits*
Worker with dependents: 60% of earnings for two years (40% during second year, if single); 50% of minimum wage, unless disabled. For singles living together (with two incomes): benefits restrictions.

5. *Data on health limitations*
Unemployed persons are medically evaluated and fall in unemployment statistics under one or three categories: capable, limited medical restrictions, considerable medical restrictions. No further data available on unemployed with medical restrictions.

B. Flexible / Early Retirement

1. *Current law*
Normal pension: Royal Decree 24 October 1967.
"Contractual early retirement pensions" (1 January 1975): rewarded to persons aged 55 (females) or 60 (males) who are unemployed due to dismissal.
"Statutory early retirement" (28 September 1982): pension awarded to persons aged 60 and over who voluntarily give up their job and have to be replaced by unemployed worker.
From 1 January 1991: flexible retirement age.

2. *Coverage*
Employed persons and apprentices with exception of self-employed and public employees.

3. *Eligibility conditions*
Normal pension age: 60 (females), 65 (males), pension payable up to 5 years earlier for men, with 5% reduction per year.
Full pension: actual or credited employment should be 45 years (men) or 40 years (women).

4. *Benefits*
   Full pension: 60% of average life time earnings, 75% with dependents.
   Reduced pension: proportional reduction of benefits.

5. *Information on health limitations*
   No statistical information available on proportion of early retired with health restrictions or refused invalidity benefits claim.

C. Labour Force Participation of Handicapped

Until 1991 rehabilitation services were provided by the National fund for the Reintegration of Handicapped. From 1.1.1991 this fund has been integrated in the National Sickness and Invalidaty Insurance Institute, whereas services now fall under the responsability of the three communities (Flamisch, Wallonian, Brussels).
Rehabilitation and employment services provided in Belgium are:
a. sheltered workshops;
b. quota system: 3% of workplaces in public enterprises should be occupied by handicapped persons;
c. limited-duration wage-subsidy programme;
d. special apprenticeship contracts to provide long term training in firms.
Furthermore: special rehabilitation centers are operated for medical and vocational rehabilitation.

Denmark

Denmark / Private & Public Sectors / Sickness

A. General Dimensions

1. *Current law*
   Sickness and Maternity Benefits Act ("Lov om dagpenge ved sygdom eller fødsel"), 1989, revised April, 1990

2. *Coverage*
   All active persons under 70 years of age, i.e.:
   - All **wage earners** (incl. public sector);
   - **Unemployed** with a right to unemployment benefit;
   - **Self-employed persons** and spouses having been active as self-employed during at least 6 out of the last 12 months, after 3 weeks of sickness, or from 1st day of sickness if voluntarily insured (about 100.000 self-employed are voluntarily insured, either for 2/3 or 1/1 of usual benefit level in first 3 weeks)
     (Up to 1-4-1990 also housewives taking care of at least 1 person could also be voluntarily insured; this covered only ca. 1000 persons; the scheme has been dropped since 1990.)

3. *Definition of work incapacity*
   Full work incapacity caused by sickness (including temporary absence from work as a result of occupational injury/accident). In case of partial work incapacity, partial benefit may be awarded.

4. *Other risks included*
   Maternity allowance from 4 weeks before childbirth (unless physician advises earlier termination of work), up to max. 24 weeks after childbirth or adoption (last 10 weeks of which can be 'pooled' with husband). Furthermore, husband can take 2 weeks leave within first 14 weeks after childbirth.

B. Cash Benefits

5. *Benefits payment*
   - Wage earners, unemployed and voluntarily insured persons: From 1st full absence day;
   - Self-employed (obligatory sickness scheme): after 3 weeks of illness. (N.B.: from 1st day in case of occupational injury/disease).
     (N.B. During first 2 or 52 weeks payment by employer (except for chronically ill), thereafter payment by municipality, see point 16!)

6. *Adjustment for price changes*
   Yearly at July 1st, percentage being stated by specific law each year

7. *Benefits level*
Obligatory scheme: Max. DKK 66,41 (1990; see Socialministeriets Bekendtgørelse nr. 323, 15-5-90) per hour, up to 100% of usual earnings (wage, unemployment benefit). (Lower benefit may be awarded in case of partial work incapacity.) (Before 1-4-90 benefit level was max. 90%.)

Voluntary scheme: at least 2/3 of DKK 2397 during first 3 weeks; according to obligatory scheme after 3 weeks.

8. *Maximum duration of payment*
52 weeks (**after** employers' period (2 weeks) or after maternity leave) in a 18-month period, unless
- revalidation will very probably soon be initiated; or
- treatment is current and will probably result in work capacity within short time; or
- other special circumstances.

13 weeks (after employers' period or maternity benefit) in a 12-month period for people
- having (or meeting the health conditions for obtaining) a social pension;
- being 67 years or over.

N.B. Before 1-4-1990, maximum duration was 91 weeks within a 36-month period.

9. *Extra-legal supplements*
Several sources indicate that most (collective) labour contracts, covering the majority of wage earners, contain additional benefits over the legal level. By labour contract, all white collar workers (private & public) have full wage under sickness (duration of this is not clear/not uniform; at least the 120 sick days per 12 months seem to be covered), many blue collar workers as well.

10. *Completion of payment*
- At recovery date, whether or not work is resumed;
- At neglection of doctors' advice regarding treatment or revalidation, or if behaviour hampers recovery;
- After expiration of maximum duration (see point 8).

After expiration: possibilities are:
- transfer to **social pension** scheme (disability) if health status qualifies for it;
- transfer to the **Public Assistance Act** (Bistandsloven, par. 43, 2) with a revalidation allowance of DKK 10.647;
- **extended period** of sickness benefit if neither social pension nor revalidation are applicable.

C. Qualifying Conditions

11. *Insurance period*
Wage earners, unemployed etc.:
- having been attached to the labour market during the last 13 weeks before illness, and having had 120 working hours, or
- having the right to an unemployment benefit, or
- having completed an vocational education in the last month.

Wage earners not having had a job for 13 weeks & 120 working hours with the **present** employer are not entitled to sick pay through employer, but will obtain it from the Municipality from the first sick day.
Self-employed:
- having been self-employed during at least 6 out of the last 12 months, and during at least the last month before sickness.

12. *Waiting period*
Wage earners etc.: none
Self-employed: 3 weeks (unless voluntarily insured)

13. *Minimum loss of earning capacity*
Irrelevant

14. *Other restrictions*
-

D. Sources of Funds

15. *Insured person*
Only voluntarily insured pay insurance premium, height of which is calculated as to cover 40% of expenses of coverage of voluntary scheme (i.e. first 3 weeks of sickness).
At 1-1-89, about 100.000 were voluntarily insured SE 1989:17.
Premium level (1990) is reported to be: DKK 540 per half year if insured for 1/1 benefit level, or DKK 360 per half year if insured for 2/3 level.

16. *Employer*
Private employers pay benefits directly to recipient during first 2 weeks of illness (so-called "employers' period") (exceptions: employees not having 13 weeks' employment with present employer, and chronically ill).
Small employers (decided by wage sum; max. DKK 3.516.000 in 1987) may insure their obligation of benefit payment through municipality, premium being calculated as 50% of costs of this insurance. At 1-1-89 38.000 small employers were thus insured (payed premiums DKK 270 million); premium level 1990 is reported to be 0.75% of wage sum (Socialministeriets Bekendtgørelse 180, 14-3-1990).
Public bodies pay benefits directly to sick employees through **entire** sickness period (unlimited employers' period).

In some cases, the municipality takes over payment also during the employer's period:
- for employees not meeting the minimum job duration required for sick pay from employer (see point 11), and
- for chronically ill, who have frequent short spells of illness ("chronical" is to be defined by any doctor's certificate).

(**N.B.** The extent of the employers' periods have varied in the past:

	private employers	**public bodies**
from ? to 1-4-87	13 weeks	13 weeks
1-4-87 to 1-4-88	5 weeks	5 weeks
1-4-88 to 1-4-90	1 week	13 weeks
1-4-90 to present	2 weeks	entire period)

17. *Government*
Municipality (Social Committee) pays benefits for:
- employees, after employer's period (if employer pays wages under sickness, the amount of the sick benefit is refunded by the municipality to the employer);
- employees not meeting the job duration requirements (see point 11);
- chronically ill;
- unemployed;
- self-employed;
- voluntarily insured.

75% of the municipality's expenditures on benefits is refunded by the State.

E. Programme Operation

18. *Carrier*
Employer (in employer's period), Municipality (Social Committee) for the rest; no specific body for sick pay.

19. *Claim initiative*
Sick person.

20. *Supervision*
Employer may require documentation showing sickness being the cause of absence. Employer or municipality may require a doctor's certificate.

F. Other Programme Elements

21. *Health care benefits*
None

22. *Prevention measures*
None

23. *Rehabilitation*
Municipality takes up the case after at most 3 months, and every 3 months afterwards, for assessing the need of treatment, training, revalidation, transfer to early retirement scheme; if needed, in connection with physicians, hospitals, revalidation institutions or employment bureau.

In the framework of the cutdown of maximum duration of payment from 91 to 52 weeks (see point 8), a strengthened effort to revalidation/reintegration is required from the municipality since 1-10-1990. During this revalidation, persons are on public assistance with the extra "revalidation allowance". This means that some long-term ill are not in the sickness benefit scheme nor in the social pension scheme, but in the public assistance scheme.

G. Major Data Sources

24. *Source 1*
Danmarks Statistik, "Dagpenge ved sygdom eller fødsel 198". (Most recent: Statistiske Efterretninger 1989:17, regarding 1988).

Data obtained from Danmarks Statistiks Sysgedagpengestatistikregister, which is updated once a year with data from the administrative system of municipalities; this register exists as from 1983.
Contains only information on sickness spells as far as benefit payment through municipality has been involved (see point 17), i.e., disregarding employers' periods. As the length of employers' period has varied (see point 16), valid time series cannot be constructed. (There is, however, a raw estimate of the amounts paid by employers during employer's periods 1983-1987 SE 1989:18).

Contains (1988):
indicators of volume:
Payed sums / Number of payment weeks / Number of beneficiaries / Number of spells / % of benefit

background variables:
sex, period (employers' / public), employee vs. self-employed, sickness vs. maternity, region, economic sector & age, marital status, reason of termination (e.g., recovered, transferred to social pension, etc.) and sex.

Source 2
Dansk Arbejdsgiverforening, "Kvartalsvis fraværsstatistik for arbejdere og funktionærer"; published every three months; time series are given back to 1981.

Contains absence statistics on blue and white collar workers with a number of employers in the Danish Employers' Union (1990: data on abt. 450 employers, regarding 44.000 blue collar and 29.000 white collar workers).

Indicators of absence volume:
Absence (time lost, as a % of workforce) is split up into:
sickness of employee, sickness of child, accident, maternity, otherwise.

Both number of spells (and their duration) and spells/days per employee are available.

Background variables: sex, blue/white collar, region (Copenhagen region / rest), economic sector, spells owing own sickness by duration, spells owing accident by duration of spells,

Comment: Unclear how maximum duration of sickness spells affects numbers. E.g., according to Danish labour legislation an employee **may** be fired after 120 sick days in any 12 month period; however, not all employers will actually fire at that moment (it is unclear how many **do** fire); sick employees are counted as long as they appear on the pay role, whether or not passing the 120 days.
Representativity of data from D.A. is unclear; employers affiliated to D.A. are said to be the "better" employers, which might affect both working conditions, sick pay regulations, etc.

Denmark / Private & Public Sectors / Work Injury, Occupational Disease

A. General Dimensions

1. *Current law*
Lov om arbejdsskadeforsikring, 1978 (Occupational Injury Insurance Act, 1978). For payment of sickness benefit during temporal absence as a result of occupational injury, the Lov om dagpenge ved sygdom eller fo/dsel (Sickness benefit act, see previous description) takes precedence.

2. *Coverage*
All persons employed or hired to do work for some employer (paid or unpaid, both private and public sectors); payment of benefits up to age limit 67.

3. *Definition of work incapacity*
Loss of earning capacity of 15 pct. or more through occupational injury/disease. Definitions of occupational disease: a list of diseases has been laid down covering diseases which are to be regarded as occupational, unless otherwise can be reasonably proved by employer/insurance company (reversed burden of proof). Furthermore, all other diseases which can reasonably be proved to be caused by the working environment are regarded as occupational diseases.
Traffic accidents on the way to/from workplace are **not** regarded as occupational accidents.

4. *Other risks included*
- Treatment, training, etc., as far as costs are not covered by national health insurance
- Several benefits to survivors, in case of death.

B. Cash Benefits

5. *Benefits payment*
From first day of incapacity.

6. *Adjustment for price changes*
Annual adjustment according to change in average wage level.

7. *Benefits level*
Two kinds of benefits can be awarded:
- indemnity (lump sum or annuity) for loss of earning capacity, if over 15%. Payment as (tax free) lump sum if loss of earning capacity is under 50%, and as pension/annuity if over 50%. Level: maximum 75% of previous yearly wages (with a ceiling; 1987: 75% of DKK 248,000).
- lump sum indemnity for the handicap incurred, if the harm is over 5%, assessed on purely medical grounds. A "harm table" is used to assess the "harm percentage". Payment as lump sum allowance (tax free). Max. DKK 30.000 (1988).

Some other relevant benefits (not derived from Occupational Injury Insurance Act itself) are:

- **Temporary work incapacity** is covered by the usual sickness absence regulations (see scheme 1)
- **Permanent work incapacity** over 50% is covered by the social pensions act (see scheme 3). The amount of the social pension is, however, diminished if the indemnity for loss of earning capacity under this Law is at least 65%.

8. *Maximum duration of payment*
Until 67th birthday; at that date, lump sum payment of 2 more pension years.

9. *Extra-legal supplements*
If employer is to blame for the accident, victim may claim indemnation for losses not wholly covered by this Law.

10. *Completion of payment*
Review of situation possible within first 5 years after annuity is fixed

C. Qualifying Conditions

11. *Insurance period*
None

12. *Waiting period*
None

13. *Minimum loss of earning capacity*
15%

14. *Other restrictions*
-

D. Sources of Funds

15. *Insured person*
None

16. *Employer*
Private employer: insurance premium
Public bodies: self-insured (all costs by employer)

17. *Government*
None, as far as indemnities according to this Act are concerned. However, insofar as sick pay or social pensions are concerned, government takes its part of these expenses (see schemes 1 and 3).

E. Programme Operation

18. *Carrier*
Employer is responsible for all consequences of occupational injury/disease. Sikringsstyrelsen (National Social Security Office) decides on the rights of benefits.
Private employer is is obliged to sign insurance policy with a private insurance company, covering the risks incurred.
Public bodies (State, municipality) are self-insured, i.e. no insurance through company.

19. *Claim initiative*
Obviously, the victim himself.

20. *Supervision*
Sikringsstyrelsen (National Social Security Office) decides whether an accident or a suspected occupational disease is covered by this Law and which (present or former) employer is liable.

F. Other Programme Elements

21. *Health care expenditures*
Redemption of health care costs, insofar as not covered by the National Health, is covered by this Law.

22. *Prevention measures*
-

23. *Rehabilitation*
-

G. Major Data Sources

- Data sources on sickness absence and social pensions are relevant also regarding work injuries/occupational diseases, as a large part of income replacement is covered by these schemes.

- Occupational accidents causing absence from work must be reported to the Labour Inspectorate (Arbejdstilsynet) (except a few small branches of trade). Statistical figures derived from these reports are prepared by Danmarks Statistik each year. These figures, however, are supposed to be unreliable because of underreporting by firms. An investigation from 1980 estimated that 42 % of occupational accidents are reported.

- Occupational diseases are reported to the Labour Inspectorate, indicating several background variables (data on employer, on job characteristics, diagnoses and symptoms, and on consequences for victim). Deatiled statistics are reported on a yearly basis.

- Dansk Arbejdsgiverforening (the Danish Employers' Association) reports on occupational accidents once a year; figures are based upon a voluntary sample

of 332 firms (1982) and cover only blue-collar workers, broken down by sex and industrial sector.

Denmark / Private Sector / Invalidity

A. General Dimensions

1. *Current law*
   Lov om social pension (Social Pensions Act) 1984, with changes up to 1990 (includes both old age pensions and early retirement/invalidity pensions)

2. *Coverage*
   (As to invalidity pensions:) All persons of 18-66 (incl.) years of age living in DK, with some restrictions on birthright and length of residence in DK.

   (Public servants with permanent job status are covered by a specific Public Servants' Act, which basically covers their right to invalidity pension; see separate description. However, in some cases they may claim additional benefits from the Social Pensions Act. These cases comprise only about 2% of social pension beneficiaries.)

3. *Definition of work incapacity*
   Earning capacity must be permanently diminished as a result of physical or mental invalidity. In the assessment of earning capacity, not only medical considerations are made; other circumstances, including age, employment status and -perspectives, social conditions, and possibilities of later deterioration or amelioration, are taken into account. Labour market considerations are explicitly being taken into account (but they cannot **alone** qualify for social pension).

4. *Other risks included*
   Social and economic circumstances **alone** (not directly health-related) may in some cases - esp. at ages 50-66 - entitle to an early retirement-pension (basic level, see point 7.)

   Benefits may include allowances for personal assistance and personal attendance, if person's condition requires so.

B. Cash Benefits

5. *Benefits payment*
   No waiting period: payment from 1st of month following application.

6. *Adjustment for price changes*
   Once a year at July 1st.

7. *Benefits level*
Invalidity pension may consist of several components, all of which are in absolute amounts (no relation to earlier earnings). According to the several components, four levels are discerned:

Maximum pension = basic pension (income-tested) + disability supplement (not income-tested) + unemployability supplements (not tested)

Medium pension = basic pension (income-tested) + disability supplement (not income-tested; tax free)

Increased basic p. = basic pension (income-tested) + early retirement-supplement(not tested)

Basic pension

At July 1st, 1990, the components of pension benefits were mt p 1426:

basic pension	DKK 55.956 (unmarried), DKK 53.856 (if married and both partners pensioners)
disability supplement	DKK 19.860 (DKK 16.896 if partner also has maximum or medium invalidity penson)
unemployability suppl.	DKK 28.728 (DKK 20.784 if partner has maximum invalidity pension)
early retirement suppl.	DKK 10.356

Possible allowances for:

- personal assistance	DKK 20.724
- personal attendance	DKK 41.364

In case of a person's extraordinary poor economic conditions, personal supplements may be awarded by the Municipality.

8. *Maximum duration of payment*
Up to 67th birthday (where old age pension takes over)

9. *Extra-legal supplements*
Unknown.

10. *Completion of payment*
-

C. Qualifying Conditions

11. *Insurance period*
The social pension is not an "insurance". All inhabitants of Denmark, meeting some basic conditions (period of residence: min. 3 years between ages 15 and 67) are eligible for social pensions.

12. *Waiting period*
No formal waiting period. For employees usually a sickness period will precede a claim; it is relevant that Danish legislation allows dismissal after 120 calendar days of sickness within a year; only after dismissal will one claim invalidity benefits under the social pensions act.

13. *Minimum loss of earning capacity*
50% in general (for entitlement to increased basic pension); 67% for entitlement to at least medium pension.
However, for persons aged 50-67, a basic pension may be awarded on general social and health criteria; here, exact loss of earning capacity is probably less important.

14. *Other restrictions*
-

D. Sources of Funds

15. *Insured person*
None

16. *Employer*
None

17. *Government*
All; whole scheme is tax-financed, (almost) all expenses are paid from the national finances, a very small part from municipal funds.

E. Programme Operation

18. *Carrier*
Municipality (Social Committee); as to invalidity pensions, the municipal Social and Health Administration is the prime carrier. Municipality gives advice (through the province to the provincial Board for Rehabilitation and Pensions, which decides on claims.
Time lag between claim and decision is on the average 11 months.

19. *Claim initiative*
By the applicant himself. Also others - f.ex. family doctor, social worker - may, in consultation with applicant, apply in his/her name.

20. *Supervision*
Municipality gathers the information required to assess the right to a pension; information should be given on family circumstances, education, labour history, income situation and medical aspects. These may be gathered by the municipality from several sources. As to medical information, the municipality may call in the help of any doctor, including applicant's own family doctor. Applicant is obliged to cooperate in gathering all information, including any medical examination and therapy.

Municipality is obliged to "follow" every pensioner's conditions. More specifically, for pensioners under 50 years whose loss of earning capacity stems from other circumstances than health status alone, the case should be reconsidered every 5 years or at the 50th birthday. After 50, municipality may advice Board to grant pension without time limit.

F. Other Programme Elements

21. *Health care expenditures*
Possibility of allowances for personal assistance and personal attendance (see point 4).

22. *Prevention measures*
None in law itself (rather, the Work Environment Act (Arbejdsmiljöloven 1977) may be relevant here)

23. *Rehabilitation*
No regulations within the law itself: if revalidation is possible, no early retirement pension will be awarded. Under such rehabilitation, sickness benefits will be awarded (or if sickness benefit claims are exhausted, a benefit from Social Assistance will be awarded; this benefit is more advantageous for the receiver than usual Social Assistance cash benefit level).
For pensioners under 50 years, the case (including rehabilitation opportunities) is reconsidered every 5 years (see point 20).

G. Major Data Sources

- Danmarks Statistik keeps an individual-level **Pensions Register**, derived from municipal computer-based registrations. It is updated once a year. This covers both financial data (amounts paid for the several types of pensions), sex, age, marital status, region/municipality. Figures and core tables are published yearly in the series "Statistiske Efterretninger". At request (and at some expenses) special tables from the same data base may be prepared by Danmarks Statistik.

- Danmarks Statistik keeps an individual-level register of all decisions regarding social pensions (acceptances and rejections of claims, revisions, appeals), which yields data on the influx of pensioners into the social pension scheme. Variables available are: kind of pension claimed and awarded, sex, age, marital status and family structure, region/municipality, occupational category, and diagnosis. Figures and tables on influx (and on decisions in appeal cases) are published yearly in the series "Statistiske Efterretninger".

Denmark / Public Sector / Invalidity

A. General Dimensions

1. *Current law*
Tjenestemandsloven (Civil Servant's Act), 19.. (for 150.000 persons) and special regulations under the Bill of Finance (for about 50.000) with more or less the same conditions.

2. *Coverage*
State civil servants (having civil servants' status) and school personnel (all in all, about 200.000 persons).
The rest of the public sector personnel are contractors: about 150.000 in the State and about 250.000 in the municipalities. Most of these are nowadays covered by a separate premium-based pension fund (benefits related to number of contribution years). The rest of this description only covers the civil servants.

3. *Definition of work incapacity*
Not being able, due to sickness, to perform one's own job nor any other job at the same level. (In practice, the definition is the same as goes for the private sector, the decision being made by the same body.)

4. *Other risks included*
-

B. Cash Benefits

5. *Benefits payment*
No waiting period: payment from moment of job loss resulting from invalidity

6. *Adjustment for price changes*
Yearly

7. *Benefits level*
Full pension (full disability for any kind of work; claim to at least medium pension in social pension scheme): rates are different for the different function levels, not exact percentages of wages; in percentage, they vary from about 80% for low levels (e.g., postman) to about 50% for the highest level (e.g., chief of department).
In case of partial disabilility: no benefit if less than 3 years worked in civil servant's status; else, benefit level dependent of number of years in civil servant's status. 37 years entitle to full pension (thus, after 10 years the right to 10/37th of full pension).

8. *Maximum duration of payment*
Until 67th birthday, or until recovery if case is taken up for reconsideration

9. *Extra-legal supplements*

Here, the relation to the general social pension's scheme (see Private sector, Invalidity) should be pointed out.
Basically all Danish residents, including civil servants and labour contractors in the State, are entitled to an invalidity pension under the general Social Pension's Act. However, the basic pension amount under this pension scheme is income-tested, so that usually the civil servant's pension (or the pension scheme for contractors) will take precedence - unless the benefit rights built up by the number of contribution years does not exceed the amount of the basic social pension. However, one will have a right to the disability supplement from the social pension's scheme, which is not income tested and amounts to about DKK 20.000 (tax free).

10. *Completion of payment*
At pension age of 67, or death.
At work resumption, or if after re-examination one is judged fit to work and is offered another job with civil servant's status. (At present, however, layoffs in the public sector make this a very unprobable situation. Earlier, re-examinations were more common.)

C. Qualifying Conditions

11. *Insurance period*
No insurance period in case of full invalidity, which entitles to full civil servant's pension (at least loss of 2/3 of earning capacity, which entitles to at least the medium pension under the Social Pensions Act).
If no full invalidity (that is, entitlement to only 'increased basic pension' under the Social Pensions Act), benefit payment depends on number of years worked as a civil servant. If under 3 years (after the age of 25), no pension right. Else, rights are equivalent to number of years worked, with 37 years as full period (see also point 7).

12. *Waiting period*
No formal waiting period. Usually a sickness period will precede the claim to invalidity pension. After 120 sick days (4 months) one can be dismissed (the procedure takes at least 3 extra months of notice); after dismissal one may claim pension.

13. *Minimum loss of earning capacity*
50% (see description of "Private sector, Invalidity"); 67% for full pension rights.

14. *Other restrictions*
-

D. Sources of Funds

15. *Insured person*
None

16. *Employer*
None

17. *Government*
All; whole scheme is covered by the budget / Bill of Finance

E. Programme Operation

18. *Carrier*
Payment and supervision of the scheme: State (supervision through Ministry of Finance, Administrations- og Personale Departementet)
Assessment of degree of invalidity: through Social committee of Municipality, as in case of claim to social pension (see "Private sector / Invalidity")

19. *Claim initiative*
Claimant himself (through firstly putting in a claim to social pension and, of obtained, then claiming civil servant's pension)

20. *Supervision*
(a) The decision whether or not to dismiss someone who is long-term ill (i.e., disability for one's own job) is made by supervision doctor on the basis of a doctor's attest, delivered by the person after 4 months. This is a medical decision, based upon expectation of recovery within short time. If dismissal is decided, a term of notice of 3 months will be taken into account, so that actual dismissal will in practice not be earlier than 9-10 months after start of the spell of sickness.
(b) After dismissal the person will claim a social pension under the Social Pensions Act - with his own municipality, see "Private sector / Invalidity"; once this claim is awarded (taking into account the ability for any job at person's same level), a civil servant's pension will be granted. In effect this means that assessment of benefit rights is carried out by the municipality, just as in the case of private sector.

F. Other Programme Elements

21. *Health care expenditures*
-

22. *Prevention measures*
None (except for general measures as Work Environment Act).

23. *Rehabilitation*
No special measures (see also point 10: no urgency because of layoffs)

G. Major Data Sources

- Danmarks Statistiks Social Pensions' Statistic since 1987 also reports some data on civil servants' pensions (though with a considerable time lag; figures on 1987 were reported only in the 1989 statistical overview, published June 1990).

- The Ministry of Finance only has a crude indication of numbers of benefit recipients, as payment is not made from one central point but through the ex-'employers'.

Denmark / Related Arrangements

A. Unemployment

1. *Current law*
   Unemployment insurance act of 1970.

2. *Coverage*
   Unemployment insurance is basically a matter of private insurance associations (A-Kasser), of which there exist 44 for specific trades. Membership is open to people - wage earners and self-employed - aged 16-65, employed (or seeking employment) in the trade covered by the Fund. A vast majority of wage earners is insured.
   (The insurance associations administer not only unemployment benefits but also early retirement pensions.)

3. *Eligibility conditions*
   Fund members who have contributed to the fund for at least 12 months and have been employed and insured for at least 26 weeks during preceding 3 years. (Special conditions for apprentices and part-timers.) Capability and availability for work (and being registered at the Employment Exchange) is a condition.
   Excluded are those who are not available for work, f.ex. as a result of **illness** (they are covered by the Sickness Benefits Act).

4. *Benefits*
   90% of previous earnings, max. DKK 2124 weekly (DKK 354 daily). Max. duration 2.5 years; however, usually within that period a job offer (lasting 7-9 months) under the Job Offer Scheme will be granted, which entitles to a new unemployment benefit period afterwards. No job offers are granted to persons aged 60 and over (for those, usually the early pension scheme will apply).

   Unemployment benefit may accumulate with social pension during a limited period (namely, as long as members have had employment for 26 weeks during last 18 months). (Thus, double-counting of unemployment beneficiaries and social pensioners apparently is possible.)

5. *Data on health limitations*
   No direct statistical data found. Probably specific investigations on the subject can be found.

B. Flexible / Early Retirement

1. *Current law*
   "Efterlo/ns-ordningen", attached to Unemployment Insurance act from January 1979.

2. *Coverage*
   Members of unemployment insurance associations (see above).

3. *Eligibility conditions*
Age between 60 and 67, having been member of unemployment fund for 10 out of last 15 years, and else fulfilling the conditions for unemployment benefits (thus, being able to work - which implies that accumulation with invalidity pension/social pension is excluded).

4. *Benefits*
Equal to unemployment benefit during first 2.5 years (i.e., 90% of last earnings, upper limit being 90% of DKK 125.000 annually); thereafter, 80% of earnings (max. DKK 100.000 annually) for whole rest of the period. (Until 1987, after 2 years of 80% benefits, the level was reduced to 70%; from 1-1-87 this reduction has been abolished.)
After first 5 weeks, additional labour income during 200 hours yearly is admitted. No accumulation with invalidity/social pension is possible.

5. *Data on health limitations*
No statistical data. In the formal sense, beneficiaries must be fit to work, so that the scheme is not available for disabled persons. However, MISEP (BIR Denmark, p. 23) reports as following: "The scheme is of major importance to **worn-out employees who have been engaged in particularly demanding work, physically or psychologically,** for a number of years. It is now possible for this group to leave the labour force some years before the pensionable age without having to experience a considerable reduction of income." The number of beneficiaries in age category 60-66 is almost as large (ca. 85%) as the number of social pensioners in the same age bracket.

C. Partial Retirement

1. *Current law*
For employees, partial retirement is not a legal right in itself, but may be negotiated by (collective) labour contract; social security legislation prescribes contents of such partial pension, if negotiated.

2. *Coverage*
Employees and self-employed, ages 60-67, with a certain minimum residence and labour period.

3. *Eligibility conditions*
Employees: reducing weekly working time with at least 25% (or at least 9 hours) to maximally 29 hours; minimum residual working time 20 days per quarter and 15 hours weekly.
Self-employed: reducing weekly working hours with 19 hours to residual 20 hours.

4. *Benefits*
Fixed amount per weekly hour reduction in working time, which is equal to corresponding level of maximum sickness benefit amount. Furthermore, a maximum of 90% of the difference in earnings before and after work time reduction. After 2.5 years, benefit level is reduced to 80% of initial level; after another 2 years, to 70%.

5. *Data on health limitations*

No statistical data. The partial pension scheme is not widely used (number of recipients: ca. 3000 employees and 3000 self-employed in 1989).

D. Public Assistance

1. *Current law*
   Lov om social bistand (Law on public assistance), 1987.

2. *Coverage*
   All persons staying in Denmark.

3. *Eligibility conditions*
   Being in straitened circumstances, not being able to earn one's keep.

4. *Benefits*
   Several kinds of cash benefits can be awarded, depending on the specific needs of persons/families (both maintenance/subsistence benefits and assistance for many specific purposes). Basic maintenance benefit is decreased after a benefit period of 9 months, unless family can be expected to be self-supporting in the near future.
   In the framework of this investigation, a relevant category of public assistance benefits is "maintenance benefits in respect of rehabilitation" (probably including those still in rehabilitation after sick pay period), totalling about 10.000 families/persons in 1988.

5. *Data on health limitations*
   No statistical data found.

E. Labour Force Participation of Handicapped

There are sheltered workshops.
Else, no special laws or measures (quota system, wage subsidies or the like) exist.

France

France / Private & Public Sectors / Sickness

A. General Dimensions

General note
The following will usually apply to the Régime Général and some smaller Régimes, affiliated to the Régime Général. Also the Régime for wage earners in agriculture is reported to apply the same scheme.
However, the national statistical bureau INSEE warns: "Les prestations maladie peuvent varier selon les régimes, certains ne versant pas de prestations en espèces, d'autres allongeant la période de versement du salaire en cas d'inactivité forcée".

1. *Current law*
Assurance Maladie (Health Insurance scheme), part of the Sécurité Sociale (sickness and maternity insurance), most recent version: 1978. Hereof: the large Régime Général and some 20 other, smaller Régimes. This description covers only the Régime Général.

2. *Coverage*
obligatory scheme: all employees (and their families) are covered by the Sécurité Sociale; the Régime Général comprises ca. 90 % of all employees. Voluntary affiliation for residents not covered by obligatory scheme is possible.

3. *Definition of work incapacity*
No specific definition (Incapacity for work due to sickness or maternity).

4. *Other risks included*
Maternity. Furthermore, invalidity and survivor pensions, as well as medical care, are included in the same social insurance scheme.

B. Cash Benefits

5. *Benefits payment*
From 4th day of sickness.
(N.B. From 1st day in case of occupational accident)

6. *Adjustment for price changes*
When incapacity exceeds 3 months: revision of sickness benefit to bring it in line with the general increase in wages.

7. *Benefits level*
Indemnités journalières (sick pay): normally 50 % of earnings over last 3 months before inception of spell. For beneficiaries with 3 or more children, the benefits are raised to 2/3 of earning after 31 days of illness.
In case of hospitalization: 20 % for beneficiaries without dependents, up to 50% with 2 children.
In case of protracted complaint, minimum daily level after 7th month is 1/365 of minimum invalidity pension.

8. *Maximum duration of payment*

Normally, 12 months (360 days) per period of 3 consecutive years. In case of certain protracted illnesses, duration may be 36 months. Exception: 48 months when insured person undergoes course or rehabilitation or vocational retraining.

9. *Extra-legal supplements*
Many. The vast majority of employees is covered by collective labour contracts including sick pay above the level of the Régime Général. Thus, the Régime Général should rather be considered as a baseline provision for the few persons not covered by collective contracts.

Furthermore, a vast majority of Frenchmen (working and non working) are affiliated to one or more private insurance companies (Mutualités), covering additional insurance i.a. for health care expenses, sometimes including additional sick pay. (All Mutualités together paid FRF 705 million in sick pay (1987) where all Régimes of the Assurance Maladie paid FRF 17.538 million).

10. *Completion of payment*
See point 8.

C. Qualifying Conditions

11. *Insurance period*
- for obtaining first 6 months' benefit: having had 200 hours of employment during last 3 months;
- for subsequent benefits: having been registred as insured for at least 12 months and having 800 hours of employment (or involuntary unemployment) in this period, of which 200 hours in first 3 of these 12 months.

12. *Waiting period*
Three waiting days, except in case of occupational accident (see point 8).

13. *Minimum loss of earning capacity*
Irrelevant

14. *Other restrictions*
None

D. Sources of Funds

General note
The insurance premiums paid cover not only the health and maternity insurance (benefits both in kind and in cash) but also the invalidity and survivors pensions; contributions for the various kinds of benefits cannot be discerned.

15. *Insured person*
5.9% (Jan. 1989) of total earnings.

16. *Employer*
12.6% (Jan. 1989) of total earnings.

17. *Government*
Health care expenditures are financed throughextra taxes levied on automobile insurance premiums, pharmaceutical advertising costs, alcohol and tobacco. These, however, also fund for i.a. construction of new hospitals.
Furthermore, a general social security tax of 0.4 % on all incomes is levied since 1986.

E. Programme Operation

18. *Carrier*
The Régime Général plus the affiliated Régimes (including public servants, students, handicapped persons etc.) is carried by the "Caisse Nationale d'Assurance Maladie des Travailleurs Salariés" (CNAMTS) (National Sickness Insurance Fund for Wage Earners), covering about 80 % of the total amounts of all national health insurance funds. The other Régimes are carried by 15 different Caisses. At the regional and local level, these Caisses are broken down into regional funds and again into local funds; the local funds execute the actual administration and payment.
Collection of insurance premiums (both employee's and employer's part are paid through employer), however, is pooled with premium collection for the uneployment scheme (UNEDIC) and the early retirement pension scheme (ARRCO) and executed by URSSAF (Unions de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales) under the supervision of ACOSS (Agence Centrale des Organismes de Sécurité Sociale).

19. *Claim initiative*
No explicit information; obviously, worker himself.

20. *Supervision*
Sick person must put in a medical certificate ("feuille de maladie") with employer within 48 hours, showing unability to attend to work; this may be issued by the family doctor.
Furthermore, an other medical certificate ("certificat médical"; also from family doctor) plus employer's certificate (showing wages etc.) must be put in with sickness insurance fund.
Employer has a right of medical inspection by a physician (so-called "contre-visite").
The Mutualités may bring in their own supervision doctor to check the case.

F. Other Programme Elements

21. *Health care benefits*
All national health care benefits (including health care expenses), maternity benefits (kind and cash), invalidity pensions, survivors' pensions and occupational hazard insurance are part of the same scheme.

22. *Prevention measures*
No explicit measures encountered.

23. *Rehabilitation*
In case of rehabilitation (e.g., partial resumption of work, revalidation programme, training) sick pay may be extended for 12 months after the usual maximum of 36 months (see point 8).
See also description of rehabilitation measures in "Related Arrangements".

G. Major Data Sources

The CNAMTS, Département Statistique, in the series "Carnets Statistiques", publishes yearly overviews of its health care expenditures, including sickness benefits. These are almost purely financial overviews, giving gross expenditures on sickness benefits broken down by duration (under 3 months/3 months and over). Other tabulations (sex, age and the like) are reported not to be possible.

As to absenteeism figures (days lost), obviously no regular statistics are produced. The French Statistical Bureau INSEE has in several recent Statistical Yearbooks published global absenteeism figures from a survey study dating October 1986, which suggests that no other data on (sickness) absenteeism are available.

France / Private & Public Sectors / Work Injury, Occupational Disease

A. General Dimensions

1. *Current law*
Régime Général: Code de la Sécurité Sociale, article 415.

2. *Coverage*
(See sickness insurance scheme).
Régime Général covering about 70% of employees.

3. *Definition of work incapacity*
Occupational accident is any accident (disregarding cause) happened at work or in connection with work, including injuries sustained while travelling between home and place of work.
Occupational disease: 82 tables of occupational diseases, noxious agents or groups.

Level of work incapacity (in case of lasting/permanent incapacity) is assessed taking into account a checklist including person's general condition, age, fysical and mental possibilities, training and experience.

4. *Other risks included*
None

B. Cash Benefits

5. *Benefits payment*
From 2nd day of absence due to occupational injury/disease (1st day is paid by employer).

6. *Adjustment for price changes*
Semiannual adjustments by decree fixing the coefficient of increase.

7. *Benefits level*
   a. temporal work incapacity (until cure, or permanent condition):
   50% of basic earnings (in pre-accident pay period) during first 28 days, thereafter 66.7% (no reduction for hospitalization, as with sick pay). There are minimum and maximum benefit amounts, both being more generous than in other parts of social security.
   b. permanent work incapacity (stabilized medical condition):
   First, level of incapacity is fixed by board (no minimum level required for eligibility to benefit). Base earnings: 12 months prior to cessation of work, minimum FRF 76.400, maximum FRF 611.170 (1987), where only one third of the actual earnings in excess of twice the minimum is counted up to the maximum. Benefits level = incapacity level corrected (reduced by half for the portion under 50% and increased by half for the portion over 50%) times base earnings (corrected).

If level of incapacity is under 10%, payment as a lump sum instead of pension. If victim needs personal assistence, the pension is increased with 40% (cf. invalidity pension).

8. *Maximum duration of payment*
Unlimited. (Also, no age limit is reported in literature - as contrasted with invalidity pension.)

9. *Extra-legal supplements*
Unknown.

10. *Completion of payment*
Review of incapacity possible at any time during first 2 years after first assessment of incapacity; thereafter, normally with intervals of at least one year. No age limit mentioned; mention that full accumulation with old-age pension is possible, suggesting that payment continues after 60th birthday.

C. Qualifying Conditions

11. *Insurance period*
None

12. *Waiting period*
None (employer pays first absence day, insurance covers rest).

13. *Minimum loss of earning capacity*
None

14. *Other restrictions*
Combination with an invalidity pension restricted to 80% of actual earnings at time of injury if that pension is granted as a result of the injury.

D. Sources of Funds

15. *Insured person*
None

16. *Employer*
All costs; premiums are taxed at variable percentage depending on risk. Average 3.75% of payroll.

17. *Government*
None

E. Programme Operation

18. *Carrier*
Same Social security bodies (les Organismes de Sécurité Sociale) as sick pay and invalidity pensions.

19. *Claim initiative*
-

20. *Supervision*
Social security doctor (Médecin-Conseil de la Sécurité Sociale) assesses degree of work incapacity.

F. Other Programme Elements

21. *Health care benefits*
Are included in programme. Direct payment of all health care costs by social security fund.

22. *Prevention measures*
-

23. *Rehabilitation*
See invalidity regulations.

G. Major Data Sources

Detailed statistics on work injuries are prepared and published by the CNAMTS: "Statistiques Technologiques d'Accidents du Travail (Année 198.)" (most recent version: 1988). They comprise numbers of occupational accidents by age, nationality, educational level, place of accident, branch of industry, etc. Also consequences in terms of days lost by temporary and permanent work incapacity due to occupational accidents are reported.

France / Private & Public Sectors / Invalidity

A. General Dimensions

General note
The following will usually apply to the Régime Général and some smaller Régimes, affiliated to the Régime Général. Also the Régime for wage earners in agriculture is reported to apply the same scheme.

1. *Current law*
Assurance Invalidité (Invalidity Insurance scheme), part of the Sécurité Sociale, most recent version: 1978. The Sécurité Sociale comprises the Régime Général and some 20 other smaller Régimes.

2. *Coverage*
obligatory scheme: all employees (and their families) are covered by the Sécurité Sociale; the Régime Général comprises ca. 70% of all employees. Age limit: 60.

3. *Definition of work incapacity*
Lasting or permanent inability leading to loss of earning capacity (in any occupation) of at least 2/3 of the normal earnings of a worker in the same category, with the same training and in the same region.

4. *Other risks included*
Health care and maternity care acoording to the Sickness Insurance Act and Maternity Insurance Act.
Widow's pension for disabled widow of deceased insured person.

B. Cash Benefits

5. *Benefits payment*
From the date when the state of invalidity is deemed to exist.

6. *Adjustment for price changes*
Automatic semiannual adjustment for changes in national average wages.

7. *Benefits level*
Three levels are discerned:
   (I) Partial disability: those still able to work (but at least loss of 2/3 of earning capacity):
   30% of earnings over the best 10 insurance years, up to 30% of a ceiling (FRF 126,480 per annum (July, 1989));
   (II) Full disability: 50% of earnings over best 10 years, up to 50% of ceiling;
   (III) Full disability and needing the presence and services of an attendant: as level (2) plus 40% supplement.

Furthermore, an invalidity allowance ("solidarity") is awarded to low-income pensioners (means-tested; FRF 13.470 per annum), resulting in a minimum invalidity pension level equal to the minimum old age pension level.

8. *Maximum duration of payment*
Until 60th birthday (where one is transferred to old age pension scheme).

9. *Extra-legal supplements*
- Collective labour contracts: unknown in how far these contain additional pension schemes (in analogy to sickness benefit scheme, which is often surpassed by labour contract benefits, the same might well apply to invalidity pensions);
- Private insurance: a vast majority of Frenchmen are affiliated to one or more private insurance companies (Mutualités), covering additional insurance sometimes including additional invalidity pensions. The sum amount of these comprises ca. 10% of the total amount of Social Security invalidity pensions.

10. *Completion of payment*
At 60th birthday.

C. Qualifying Conditions

11. *Insurance period*
12 months, with 800 hours worked, of which 200 during the quarter prior to ceasing work.

12. *Waiting period*
None - payment from date where state of invalidity 9 stabilized medical condition is deemed to exist.

13. *Minimum loss of earning capacity*
2/3

14. *Other restrictions*
None

D. Sources of Funds

General note
Invalidity pensions (as well as survivors' pensions) are financed together with the sickness and maternity programme, including health care costs; contributions for the various kinds of benefits cannot be discerned.

15. *Insured person*
5.9% (Jan. 1989) of total earnings.

16. *Employer*
12.6% (Jan. 1989) of total earnings.

17. *Government*
Extra taxes are levied on automobile insurance premiums, pharmaceutical advertising costs, alcohol and tobacco. These, however, also fund for i.a. construction of new hospitals.
Furthermore, a general social security tax of 0.4% on all incomes is levied since 1986.

E. Programme operation

18. *Carrier*
Same as sickness insurance scheme - see there

19. *Claim initiative*
Not specified report that the sickness insurance fund will usually advise to claim invalidity pension either after expiration of maximum duration of sick pay, or after a stabilized health status has entered.

20. *Supervision*
Degree of invalidity is assessed by insurance doctor (Médecin-Conseil des Organismes de Sécurité Sociale, especially CNAMTS).

F. Other Programme Elements

21. *Health care benefits*
All national health care benefits (including health care expenses), maternity benefits (kind and cash), invalidity pensions, survivors' pensions and occupational hazard insurance are part of the same scheme.

22. *Prevention measures*
No specific information.

23. *Rehabilitation*
In principle, the Social Security agency has no legal responsibility for rehabilitation. Nonetheless, there exists in the agency the Bureau of Reclassification which facilitates the process of reentry or retraining. Further description: see description of France / Related Arrangements.

G. Major Data Sources

Expenditures on invalidity pensions for the Régime Général are reported annually by the CNAMTS in the series "Carnets Statistiques". Also, numbers of pensions (by type, see point 7), of new pensioners and of terminated pensions (specified by reason of termination) are reported annually. Breakdowns of these data by further variables as gender and age are reportedly impossible.

France / Related Arrangements

A. Unemployment

1. *Current law*
   Basic Law from 31 December 1958, as modified especially in 1984 by Ordonnance 84-198.

2. *Coverage*
   All employees (excl. domestic and seasonal workers)

3. *Eligibility conditions*
   Person should be looking for work and be capable and available (physically able) to work. Elegibility conditions: for basic allowance: 3 month insurance in last 12 month; for end of entitlement-allowance: 6 months insurance. Maximum age: 60 (may be extended if no full old age pension rights have been built up - requiring 37.5 working years - at that moment).

4. *Benefits*
   (all amounts at 1-7-1988)
   a. **Basic allowance** (allocation de base): FF 46.32 per day + 40% of reference earnings (= contributory earnings over last 12 months, ceiling FF 39.800), min. FF 111.51 per day; duration, according to duration of insurance and age, from min. 3 months to max. 21 months; may be extended to 60 months if age over 55 and 24 months contribution. Extended benefit period possible if longer coverage has been built up, gradually decreasing (depending on age; no decrease if age over 55).
   b. **End-of-entitlement-allowance** (allocation de fin de droits AFD) for jobseekers having exhausted basic allowance rights: FF 67.94 per day (FF 93 if age 55+ and if 20 years' coverage). Max. duration, dependent on period of coverage, 6-18 months.
   c. **"Solidarity allowance"** (= assistance, for some special categories of people -long-term unemployed, young unemployed, single mothers): FF 64.50 per day (higher amounts according to age, years of coverage and situation)

5. *Data on health limitations*
   No statistical data encountered.

B. Flexible / Early Retirement

1. *Current law*
   "Ordonnance" of 16 January 1982 introduceds "Solidarity contracts", expenses of which were covered by employers and employees from 1981-1983, and by the State as from 1984. Literature mentions this last scheme as in existence from 1984-1988; unclear whether scheme has been abolished since.

2. *Coverage*
   The system has been gradually extended resulting in coverage of almost the whole work force.

3. *Eligibility conditions*
Age 55 - 60. Having worked for at least 1 year in the last 5 years and having belonged to the Social Security organization for at least 10 years. Transfer to old age pension at age 60 (or before, if conditions for full old age pension - 37.5 contribution years - are met before 60). Replacement condition: ex-employer must hire new personnel (young or long-term unemployed).

4. *Benefits*
65% of reference earnings, plus 50% over ceiling.

5. *Data on health limitations*
No statistical data encountered.

C. Partial Retirement

1. *Current law*
"Solidarity contracts" (see point B.) also contained possibilities of "préretraite progressive".

2. *Coverage*
See point b.

3. *Eligibility conditions*
See point b.

4. *Benefits*
If work time is reduced voluntarily to 50 % of normal hours, an allowance equal to 30% of the average gross wage is granted. Replacement condition: the firm agrees to recruit jobseekers equivalent to the number of jobs released.

5. *Data on health limitations*
No statistical data encountered.

D. Labour Force Participation of Handicapped

After the Law of Orientation of 1975, retraining and reclassification is a matter of the regional (departmental) commission COTOREP - Commission Technique d'Orientation et de Reclassement Professionel (Technical Commission for the Guidance and Vocational Rehabilitation of Handicapped Workers).
The legal obligation to hire handicapped personnel has a long tradition and acceptation in France (dating back to WWI), and has in 1987 been modified into a more rigorous obligation than in the preceding law (of 1975). For firms (or plants) with at least 20 employees, as well as public agencies and the like, a quotum of min. 6% handicapped will become obligatory from 1991 (stepping up from 3% in 1988).
In how far the Law from 1975 has actually been able to increase reintegration of handicapped is unclear. Some figures we encountered on reasons for termination of invalidity pensions did not suggest that work resumption is a frequent reason for termination. Also, according to some sources, the 1987 modofications were inspired by the lack of effectiveness of the 1975 law.

Germany

Germany / Private Sector / Sickness

A. General Dimensions

1. *Current law*
National Health Insurance Programme ("Gesetzliche Krankenversicherung"), 1927. This compulsory programme provides income replacements (sickness benefits), as well as coverage of health care costs.

2. *Coverage*
Compulsory: All wage earners, salaried employees, apprentices, unemployment beneficiaries and disabled, pensioners, some categories of self-employed.

3. *Definition of work incapacity*
Physical or mental disorders implying the need for medical treatment or work incapacity regarding the present occupation.

4. *Other risks included*
- Maternity allowance;
- Paid leave up to 5 days for sick child requiring care;
- Death grant ("Sterbensgeld").

B. Cash Benefits

5. *Benefits payment*
After compulsory full wage payment during first six weeks of work incapacity.

6. *Adjustment for price changes*
Yes

7. *Benefits level*
Employer pays 100% of total earnings for first six weeks. Thereafter: 80% of covered earnings, with a maximum.

8. *Maximum duration of payment*
78 weeks within three consecutive years.

9. *Extra-legal supplements*
None

10. *Completion of payment*
- recovery, work resumption
- transfer to invalidity pension programme
- death

C. Qualifying Conditions

11. *Insurance period*
No minimum insurance period required.

12. *Waiting period*
None

13. *Minimum loss of earning capacity*
Not defined.

14. *Other restrictions*
Medical certification of work incapacity is required on first day (wage earners) or on fourth day (salaried exployees).

D. Sources of Funds

15. *Insured person*
3.0 - 19% of covered earnings (with maximum), according to fund (average: 6.5%). Contribution rates not only cover income maintenance but also health care expenses.

16. *Employer*
3.0 - 19% of payroll (with ceiling) according to fund (average 6.5%). Contribution rates not only cover income maintenance but also health care expenses.

17. *Government*
Subsidy to maternity leave costs, and to benefits for unemployed.

E. Programme Operation

18. *Carrier*
Sick funds, organized by locality, enterprise or occupational category.

19. *Claim initiative*
Employee, providing doctors certificate on first (wage earner) or fourth day (salaried employee).

20. *Supervision*
Physician of independent medical service, on request of sick fund.

F. Other Orogramme Elements

21. *Health care expenditures*
Included

22. *Prevention measures*

Health promotion programmes, preventive health checks etc., are recommended and offered by sick funds, etc.

23. *Rehabilitation*
In Germany both the sickness, (invalidity-) pension, occupational accident and unemployment insurance are responsible for medical or vocational rehabilitation services. Activities within the province of sickness insurance are restricted to early detection of insured with disabling conditions. Furthermore information is given to clients regarding rehabilition measures they are recommended to apply for.

G. Major Data Sources

24. Two main categories of data sources are available on temporary work incapacity due to sickness:
    1) annually extended statistical overviews are published by central organisations of Local Sick Funds ("Ortskrankenkassen") and Industrial Sick Funds ("Betriebskrankenkassen"), providing data on reported work incapacity due to sickness (spells, duration, gender, diagnostical groups, occupational status, sector, etc.). Short spells (1-3 days) are reported incompletely. Furthermore extended financial overviews are available.
    2) Estimated sickness absence rates based on Mikrozensus-Surveys, in a two-year representative national sample, which show several methodological restrictions, however (demarcation of work incapacity, population covered, observation period, characteristics included, etc.).

    Furthermore, the "Institut der Deutschen Wirtschaft" (IDW) annually publishes rates on "Individual Absenteeism". These figures are based on a voluntary survey in German industry and cover a wide range of absence reasons.

Germany / Private Sector / Work Injury, Occupational Disease

A. General Dimensions

1. *Current law*
   Statutory Accident Insurance ("Gesetzliche Unfall-Versicherung", RVO) 1963

2. *Coverage*
   Compulsory insured: employed persons, apprentices, students.
   Voluntarily insured: self-employed, housewives.

3. *Definition of work incapacity*
   Temporary: loss of earnings regarding general labour market conditions due to occupational accident or occupational disease (from list of 55 occupational diseases).

   Permanent: Reduction of earning capacity equals at least 20% due to occupational accident or accepted occupational disease.

4. *Other risks included*
   Temporary work incapacity:
   - commuting accidents (travelling to and from place of employment)
   - health care expenditures

   Permanent work incapacity:
   - death (funeral allowance).
   - survivor pension

B. Cash Benefits

5. *Benefits payment*
   Temporary: after six weeks of compulsory full wage payment by employer.
   Permanent: after assessment of degree of invalidity.

6. *Adjustment for price changes*
   Yes

7. *Benefits level*
   Temporary: Employer pays 100% of total earnings during first six weeks. Thereafter: 80% of covered earnings ("Verletztengeld").
   Permanent: Varying with a maximum of 66 2/3% of earnings ("Verletzenrente").
   If degree of invalidity is smaller than 30%: lump sum payment possible.

8. *Maximum duration of payment*
   Temporary: Unlimited as long as rehabilitation is required.
   In case of permanent loss of earning capacity: no maximum duration.

9. *(Extra-legal) supplements*
   Constant attendance supplement if seriously handicapped.

10. *Completion of payment*
Temporary: work resumption (restoration of health)
Permanent:
- consolidation of degree of permanent loss of earning capacity
- conversion to normal pension (at age 65)

C. Qualifying Conditions

11. *Insurance period*
No minimum qualifying period required.

12. *Waiting period*
Temporary: 6 weeks wage payment.
Permanent: flexible, depending on moment of stabilization (consolidation), but minimally 13 weeks of work incapacity.

13. *Minimum loss of earning capacity*
Temporary: no minimum
Permanent: 20% loss of earning capacity regarding general labour market conditions.

14. *Other restrictions*
None

D. Sources of Funds

15. *Insured person*
None

16. *Employer*
Contributions varying according to risk; on average:
1.4% of payroll.

17. *Government*
Subsidy for coverage of students, etc.

E. Programme Operation

18. *Carrier*
Industrial accident funds ("Berufsgenossenschaft") with compulsory membership of all employers in an industrial sector. These insurance funds not only cover temporal and permanent loss of income due to occupational injuries and diseases, but also are legally responsible for prevention and rehabilition services.

19. *Claim initiative*

Temporary: employee, who, on compulsory basis consults special physician ("Durchgangsarzt") in his region.

Permanent: accident insurance fund or physician when state of stabilization has been reached and/or rehabilitation measures failed.

20. *Supervision*
Temporary: Physician ("Durchgangsarzt"), contracted by the fund who may transfer to specialist for treatment and may prescribe transferral to rehabilitation measures.
Permanent: Re-assessment of disablement within two years.

F. Other Programme Elements

21. *Health care expenditures*
Covered if related to occupational injury and disease.

22. *Prevention measures*
Prevention of accidents and diseases is considered the first of three responsabilities of accident insurance funds (futher: rehabilitation, income-replacement). A wide range of prevention activities are carried out: safety training programmes, protective equipment promotion, provision of occupational health services, consultations for employers, prescription of necessary improvements of working conditions, etc.

23. *Rehabilitation*
Occupational insurance funds are responsable for rehabilitation measures in as fas as loss of work capacity is due to an occupational injury, commuting accident or listed occupational disease. They may prescribe and provide both medical and locational rehabilitation services using specialized medical disciplines or hospitals as well as work experts and training facilities. These services should be exhausted before assessment of degree of permanent invalidity.

G. Major Data Sources

24. The coordinating body of injury insurance bodies ("Hauptverband der Gewerblichen Berufsgenossenschaften") yearly publishes various statistical overviews on reported occupational diseases and injuries, benefits, and pensions paid, rehabilitation measures applied, etc. Data on a wide range of characteristics as well as special studies are available.

Germany / Private Sector / Invalidity

A. General Dimensions

1. *Current law*
National pension insurance programme, 1973 ("Gesetzliche Rentenversicherung"). Invalidity pension-scheme is not related to sickness benefit arrangements and administration, but is included in the general compulsory old-age pension insurance.

2. *Coverage*
Employed persons, apprentices, unemployment beneficiaries and non-working insured (e.g. housewives).
Separate administration for wage earners and salaried employees.

3. *Definition of work incapacity*
   - Occupational disability ("Berufsunfähigkeit"); reduction of earning capacity due to physical or mental illness or disablement which equals at least 50%, regarding a nondisabled person with similar training, knowledge and abilities.
   - General disability ("Erwerbsunfähigkeit"); virtually total loss of earning capacity. Due to rulings of appeals courts the actual labour market situation should be taken into account in granting full disability pension to claimants meeting eligibility only for partical disability.

4. *Other risks included*
Old-age pension.

B. Cash Benefits

5. *Benefits payment*
After acceptation of invalidity pension claim forwarded by client and fulfilment of administrative requirements.

6. *Adjustment for price changes*
Yes

7. *Benefits level*
Benefits paid are dependent on years and sum of contributions paid. Pensions may range from 15-80% of covered earnings (In general: occupational disability: 1% and general disability: 1.5% for each year of insurance)

8. *Maximum duration of payment*
None

9. *Extra-legal supplements*
No information available.

10. *Completion of payment*
Both occupational and general disability may be granted in definitely or for a restricted period. Completion of payment by:
- restoration of work capacity (resumption of work or unemployed);
- death;
- conversion between both categories of invalidity.

C. Qualifying Conditions

11. *Insurance period*
60 months of contribution payment and 36 months working within five years before disability.

12. *Waiting period*
None: as soon as medical and administrative conditions have been fulfilled.

13. *Minimum loss of earning capacity*
50%

14. *Other restrictions*
None

D. Sources of Funds

15. *Insured person*
No separate contribution levied for invalidity pension programme. General pension contributions also cover old-age pension and survivor benefits, and amounted 9.35% of gross earnings (with maximum).

16. *Employer*
No separate contribution for invalidity pension programme identifyable. Contributions paid also cover old-age pension and survivor benefits (9.35%).

17. *Government*
Subsidy for about 15% of total costs for pension insurance.

E. Programme Operation

18. *Carrier*
State insurance institutes (wage earners) and federal institute (salaried employees)

19. *Claim initiative*
Employee, or sick funds insurance physician.

20. *Supervision*
Depending on the kind of pension rewarded (temporary, unlimited) medical reassessment of invalidity may take place at regular intervals. In case of permanent pension reviewing after three and six years.

F. Other Programme Elements

21. *Health care expenditures*
Not included in invalidity programme but covered by national health insurance arrangements.

22. *Prevention measures*
None

23. *Rehabilitation*
The pension insurance fund provides or finances several rehabilitation services for which the client must apply before receiving benefits. After notification by the sickness funds or application of benefit recipients the pension insurance agency may decide to provide medical (Spa, health resort) andvocational rehabilitation services (retraining). Reintegration in the labour market is supported by funds for wage subsidies, job adaptations, transportation subsidies, etc. As a last resort an invalidity pension may be granted.

G. Major Data Sources

24. The National Pension Insurance Funds yearly publish an abundance of statistics on invalidity pensions (insured, entrants, completions, rehabilitation measures applied, pensions paid, etc.). Overviews are available on several characteristics of claimants and recipients.

Germany / Public Sector / Sickness

A. General Dimensions

1. *Current law*
   Federal Civil Servant Act ("Bundesbeamtengesetz") 1966.

2. *Coverage*
   Persons employed by public employers may either be covered by:
   - arrangements in the private sector, in case their occupational status is wage earner ("Arbeiter") or salaried employee ("Angestellte");
   - those having the status of civil servant ("Beamte") are covered by federal law ("Bundesbeamtengesetz").

   It is estimated about 50% of employees in the public sector is covered by private sector arrangements.

3. *Definition of work incapacity*
   Inability to perform normal duty due to sickness or infirmity ("Dienstunfähigheit").

4. *Other risks included*
   None

B. Cash Benefits

5. *Benefits payment*
   No sickness benefits arrangement applied. In case of work incapacity: continuation of normal wage payment.

6. *Adjustment for price changes*
   Annually

7. *Benefits level*
   -

8. *Maximum duration of payment*
   Legally no maximum for continuation of wage payment period. In general after 6 months the public employer requests medical evaluation for invalidity pension claim.

9. *Extra-legal supplements*
   None

10. *Completion of payment*
    - until resumption of work, restoration of work capacity;
    - until transfer to invalidity pension (retirement).

C. Qualifying Conditions

11. *Insurance period*
None. The labour contract ("appointment") of civil servant is the only qualifying condition.

12. *Waiting period*
None

13. *Minimum loss of earning capacity*
None

14. *Other restrictions*
None

D. Sources of Funds

15. *Insured person*
-

16. *Employer*
Public funds.

17. *Government*
-

E. Programme Operation

18. *Carrier*
Employer.

19. *Claim initiative*
Employee by providing a medical certificate after three days of work incapacity.

20. *Supervision*
By physician of regional medical service.

F. Other Programme Elements

21. *Health care expenditures*
Only partly covered by the system (e.g.: pharmaceuticals reimbursement of 50%). Additional private insurance for health care costs.

22. *Prevention measures*
Not included in programme.

23. *Rehabilitation*

Not included until 1-1-1992. From then invalidity benefit claimant should accept rehabilitation and job on same level, or lower level with continuation of previous earnings.

G. Major Data Sources

24. Federal data on work incapacity due to sickness in civil servants are very poor. Some restricted sources can be found on the level of communities or "Länder", and in particular sectors like National Railway Company ("Bundesbahn"), Post, Police, etc., but they are published irregularly.

Germany / Public Sector / Work Injury / Occupational Diseases

A. General Dimensions

1. *Current law*
Bundesbeamtengesetsz 1966.

2. *Coverage*
See: Sickness arrangements.

3. *Definition of work incapacity*
Mental and physical restrictions due to work-related injury ("Dienstunfall") and diseases.

4. *Other risks included*
Health care costs.

B. Cash Benefits

5. *Benefits payment*
After flexible period of full wage payment continuation.

6. *Adjustment for price changes*
Annually.

7. *Benefits level*
No benefits paid. In case of temporary work incapacity: continuation of wage payment. In case of permanent invalidity: pension is rewarded based on ancienity and wage level. Occupational injury pensions are about 20% higher than non-workrelated invalidity pensions.

8. *Maximum duration of payment*
No maximum.

9. *Extra-legal supplements*
None.

10. *Completion of payment*
In case of permanent work incapacity: payment up to normal retirement age (65 years).

C. Qualifying Conditions

11. *Insurance period*
None

12. *Waiting period*
None

13. *Minimum loss of earning capacity*
10% loss of work incapacity.

14. *Other restrictions*
-

D. Sources of Funds

15. *Insured person*
None

16. *Employer*
Entirely, public funds.

17. *Government*
-

E. Programme Operation

18. *Carrier*
Employer.

19. *Claim initiative*
In case of temporary and permanent work incapacity: employer.

20. *Supervision*
Regional medical doctor, employed by government ("Verwaltungsarzt").

F. Other Programme Elements

21. *Health care expenditures*
Entirely covered.

22. *Prevention measures*
Not included in arrangement.

23. *Rehabilitation*
Employer should recommend rehabilitation before evaluation of permanent benefits. Employee may not refuse.

G. Major Data Sources

24. No specific data on temporary or permanent work incapacity due to occupational accidents available.

Germany / Public Sector / Invalidity

A. General Dimensions

1. *Current law*
   Bundesbeamtengesetz, 1966

2. *Coverage*
   See: Sickness arrangements.

3. *Definition of work incapacity*
   Premature work incapacity ("Vorzeitige Dienstunfähigheit"): loss of earning capacityregarding present jobs and other jobs which are in accordance with the persons qualification.

4. *Other risks included*
   -

B. Cash Benefits

5. *Benefits payment*
   After flexible period of full wage payment during work incapacity period.

6. *Adjustment for price changes*
   Yes

7. *Benefits level*
   Pensions paid depend on years of employment as a civil servant and previous earnings.

8. *Maximum duration of payment*
   No maximum.

9. *Extra-legal supplements*
   -

10. *Completion of payment*
    - recovery, restoration of work incapacity
    - death

C. Qualifying Conditions

11. *Insurance period*
    None

12. *Waiting period*
    Flexible, period of continued wage payment due to work incapacity.

13. *Minimum loss of earning capacity*
No minimum but only 100% invalidity.

14. *Other restrictions*
-

D. Sources of Funds

15. *Insured person*
-

16. *Employer*
Public funds.

17. *Government*
-

E. Programme Operation

18. *Carrier*
Employer.

19. *Claim initiative*
After a minimum period of 6 months of work incapacity, the public employer requests medical assessment of invalidity. Maximally four months later a final evaluation and decision is made. Invalidity is evaluated regarding the present job. From 1.1.1992: also vis-à-vis comparable jobs in same scale of salary.

20. *Supervision*
Physician of employers (regional) medical service.

F. Other Programme Elements

21. *Health care expenditures*
cf. Sickness arrangements.

22. *Prevention measures*
None.

23. *Rehabilitation*
From 1.1.1992 before evaluation of invalidity pension: claimant should accept rehabilitation activity to job on same level or lower level with continuation of previous wage.

G. Major Data Sources

24. Central statistics on invalidity in civil servants are restricted to one overview of new invalidity pension recipients by age category. Furthermore, some data are available on certain sectors (police, railway company) or on community level.

Germany / Related Arrangements

A. Unemployment

1. *Current law*
   Labour Promotion Act ("Arbeitsförderungsgesetz"), 1969.
   The act provides both payment of cash benefits and administration of employment promotion measures.

2. *Coverage*
   Employed persons, apprentices.

3. *Eligibility conditions*
   - Minimally 12 months of insurance in last 3 years;
   - Capability to work;
   - Registration at local employment office.

4. *Benefits*
   Unemployment benefit ("Arbeitslosengeld"): 68 % of net earnings (with dependents); 63 % if single. Duration of payment varies according to period of insurance and may vary from 16 to 52 weeks. Subsequently, unemployment assistance ("Arbeitslosenhilfe") is paid: 58 % of net earnings (single: 53 %).

5. *Data on health limitations*
   No regular data on health limitations of unemployed available. Exceptionally surveys may provide information on health related restrictions or failure to qualify for occupational or general invalidity persion.

B. Flexible / Early Retirement

1. *Basic law*
   Old-age Pension Acts ("Gesetzliche Rentenversicherung") for wage earners ("Arbeiter") and salaried employees ("Angestellten"). Normal retirement age: 65 years but a fixed age limit is no longer applied. Flexible retirement options:
   - deferred retirement pension: payable later than 65 years;
   - early retirement pension: awarded to insured aged 60 who are unemployed or severily handicapped ("Schwerbehinderte"). Also awarded to women stopping work at the age of 60;
   - advanced retirement pension: paid to those who voluntarily stop working when aged 63.

2. *Coverage*
   Wage earners and salaried employees, apprentices, unemployment beneficiaries. Special arrangements for self-employed, public employees, etc.

3. *Eligibility conditions*
Normal old-age pension: insurance period for most categories 35 years; this conditions also applies to insured to qualify to some early retirement pension. Special conditions for early retirement of unemployed and handicapped.

4. *Benefits*
Normal old-age pension: benefits level depending on earnings, insurance period and contributions paid. Old-age pension covers maximally approx. 65% of net earnings. In case of early retirement pensions are adjusted proportionally.

5. *Data on health limitations*
National Pension Statistics annually indicate the number of severily handicapped ("Schwerbehinderte") aged 60, who make use of early retirement arrangement. Furthermore unemployment statistics give some insight in labour force participation of persons with disabilities.

C. Partial Retirement

1. *Basic law*
Law on part-time work for older workers (in effect from 1 January 1989).

2. *Coverage*
Employees. However, the law only opens the possibility of part-time retirement, but does not guarantee a right to it. This has to be negotiated as a voluntary agreement between employer and employee (usually the collective labour agreement).

3. *Eligibility conditions*
Partial retirement benefit may be awarded to employees who
- have reached the age of 58
- have been in contributory employment for at least 1080 calendar days during the last five years previous to starting the part-time work, having worked the collectively agreed regular weekly hours
- and from this time on reduce their working time to half that of the collectively agreed weekly working hours (but work at least 18 hours a week).

4. *Benefits*
In the agreement, the employer commits himself to topping up by at least 20% the pay earned by the employee under the part-time scheme and to paying contributions for increased insurance under the statutory pension insurance scheme; these contributions are based on the difference between the reduced pay for part-time work and 90% of the last gross pay for fulltime work.
BA, the federal employment services, reimburses the employer for the above mentioned minimum expenses, but not for any benefits which exceed these, provided a registered unemployed benefit or unempolyment assistance) is recruited to fill the job made available through the reduction in working time.
Sickness benefit, which an employee receives after the period of continued payment of wages during illness has expired, is calculated on the basis of the pay for part-time work under the scheme. In addition, BA continues to pay the subsidy of at least 20% of the part-time pay by which this pay is being topped up; it also pays the contributions for increased insurance under the statutory pension insurance scheme. The same applies when such a worker becomes unemployed, draws unemployment benefit or

unemployment assistance and the benefit is assessed solely according to the part-time employment under the scheme.
The BA allowance are paid for the duration of participation in the scheme - at the longest until old age pension is drawn or a similar allowance for old age provision. But they are not continued beyond the month in which the employee reaches the age of 65.

5. *Data on health limitations*
Unknown.

D. Labour Force Participation of Handicapped

In Germany several acts and programmes are administered to protect or improve the labour force participation of handicapped or severily disabled persons:

1. The Severily Disabled Act ("Schwerbehindertengesetz", 1974) provides special protection to severily handicapped persons (with a permanent loss of earning capacity of minimally 50%, due to a physical, psychological or mental impairment).
Programme elements are:
   a. protection against dismissal;
   b. quota arrangement in the private and public sector: compulsory employment of handicapped in 6% of the jobs, and monthly payment of DM 150 per position not filled;
   c. extra holidays, tax relaxations.

2. Rehabilitation services are not only provided by insurance funds but also by the Federal Employment Institute and Wellfare Agencies. A broad supply of measures can be used to improve labour for a participation of handicapped and unemployed. Major provisions to integrate a disabled worker in the labour force are:
   a. occupational retraining, in special vocational retraining centers;
   b. wage subsidy for employers (maximally 80% of wages during three years);
   c. funds for job adaptations and improvement of accessibility of work site;
   d. technical aids and transportation allowances;
   e. transitional money ("Übergangsgeld") is paid during retraining, covering 80% of normal earnings.

The Netherlands

The Netherlands / Private Sector / Sickness, Work Injury, Occupational Disease

A. General Dimensions

Introductory note
Dutch temporary and permanent work incapacity arrangements cover all benefits, irrespective whether the cause of incapacity is work-related or not.

1. *Current law*
Sickness Benefits Act ("Ziektewet"), 1930, last modification 1990.

2. *Coverage*
- All wage earners in private sector except house-servants in private households with a contract of less then three days (twelve hours) a week;
- Unemployed with a right to unemployment benefit (WW);
- Under restrictions employees for whom the compulsory insurance has ended, can be voluntary insured;
- Employees in public sector with a temporary labour contract.

3. *Definition of work incapacity*
Eligibility is conditioned on a person being unable to perform one's own work due to a physical or mental condition. Partial benefits can be paid in case of "therapeutic work resumption" (which often means: part-time resumption of work).

4. *Other risks included*
Maternity allowance of 16 weeks: at least 4 weeks and at maximum 6 weeks before childbirth and 10 to 12 weeks after childbirth. The benefits level is 100% of normal earnings instead of statutory 70%.

B. Cash Benefits

5. *Benefits payment*
From the third working day of absence. However, employers may also have insured first two days.

6. *Adjustment for price changes*
The amount of maximum insured daily wage is adjusted every year by the government.

7. *Benefits level*
70% of daily wage, but employers may insure for a higher percentage. The maximum insured daily wage is HFL 274,01 in 1991. Maternity allowance: 100% of earnings. The employer is bound during at least the first six weeks of sickness to replenish the benefits to the legal minimum wage, if necessary.
After these six weeks the Additional Allowances Act ("Toeslagenwet") offers the opportunity to replenish the benefits to the according relevant social minimum, if necessary.

8. *Maximum duration of payment*
52 consecutive weeks (if the period between two spells of sickness is shorter than 30 calender days, they are considered as one consecutive spell).

9. *Extra-legal supplements*
Many employers have re-insured the two waiting days, and/or insured for a higher benefit than the statutory 70%.
In addition, most employees receive their full wage for the first 52 weeks of sickness by (collective) labour agreement. So most Dutch employees experience no income loss due to sickness.

10. *Completion of payment*
- Full work resumption
- Transfer to old-age pension
- After expiration of maximum duration, referral to invalidity pension (if qualified).
- Death
- Withdrawal from labour market by resignation

C. Qualifying Conditions

11. *Insurance period*
None

12. *Waiting period*
Two (working) days (see 9).

13. *Minimum loss of earning capacity*
Irrelevant (see 3).

14. *Other restrictions*
If cause of work incapacity existed before start of employment or insurance period no benefit payment applied.

D. Sources of Funds

General Remark
Most employers are members of one of the trade associations, which operate the Sickness Benefits Programme. However, about 20% of the insured are employed by firms which operate the income replacement programme on their own account ("Eigen Risicodragers"). The contribution percentages mentioned below are not applicable to these firms.

15. *Insured person*
Up to the maximum of 1% of the daily wage of at most HFL 274,01 (in 1991). The premium may be more in case of extra-legal supplements (see 9). The overall mean is 1,20%.

16. *Employer*
If member of the Trade Association, contributions amount a certain percentage of daily wages. The percentage (largely dependent upon sickness absence levels) differs between trade associations, and between branches. The average contribution rate is 6,20% (1991).

17. *Government*
Nothing.

E. Programme Operation

18. *Carrier*
The Sickness Benefits Act is administrated by Trade Associations organized by economic sector. They are governed by organizations of employers and employees in specific branches of trade and industry.
There are 23 trade associations, of which 16 have delegated the operation of the scheme to the General Administration Office (GAK). They collect and distribute the funds and evaluate and reward claims for sickness benefits.

19. *Claim initiative*
Employee (but no certification is required).

20. *Supervision*
Lay inspectors and insurance physicians employed by trade associations, check the legitimacy of claims.
After 22 weeks of work incapacity, the trade associations screen the records of the beneficaries.
If recovery is not expected before the 52th week the Joint Medical Service is asked to make a disability assessment for the Disability Insurance Act and to start rehabilitation activities to other suitable jobs.

F. Other Programme Elements

21. *Health care expenditures*
None

22. *Prevention measures*
Trade associations are more and more involved in preventive services by providing information, advice and assistance to employers to improve sickness absence policies, working conditions, etc.

23. *Rehabilitation*
Under the dutch scheme, rehabilitation measures are mostly initiated after one year of sickness benefits payment and transferral to invalidity pension. Within the province of the Sickness Benefits Act "partial work incapacity" and "therapeutic resumption of work" may be considered as the major rehabilitation measures taken.

G. Major Data Sources

24. Annual reports of trade associations as well as the yearly published "State of Sickness Benefits Insurance" (Social Insurance Councel) provide data on work incapacity spells, days, risk percentages and number and amounts of benefits paid, broken down by gender, age, diagnosis, etc.
Special data sources on occupational accidents exist, but are incomplete and quite unreliable.

Futhermore: the Dutch Institute for the Working Environment (NIA) and the Netherlands Institute of Preventive Healthcare (NIPG) also publish actual statistical information on sickness rates in a sample of firms.

The Netherlands / Private sector / Invalidity

A. General dimensions

1. *Current law*
General Disablement Benefits Act ("Algemene Arbeidsongeschiktheidswet"), (AAW), 1975, amended in 1987.
Disability Insurance Act ("Wet op de Arbeidsongeschiktheidsverzekering"),(WAO), 1966, last modification 1990.

2. *Coverage*
In the Netherlands two benefit schemes are operated regarding invalidity:
   1. General Disablement Benefits Act, covers all inhabitants of the Netherlands. Benefits are not related to former earnings but to the social minimum. Furthermore the scheme covers provisions and allowances for the improvement of general life circumstances.
   2. Disability Insurance Act, covering employees between the age of 15 and 65. Benefit eligibility criteria are the same as in the General Disablement Benefits Act.

3. *Definition of work incapacity*
A person is wholly or partially disabled "who as a consequence of illness or impairment is unable to earn from work commensurate with his ability, skill and experience, such a wage as is earned by a similar healthy person in the same place or neighbourhood".

4. *Other risks included*
None.

B. Cash benefits

5. *Benefits payment*
AAW: 52 weeks after the onset of the sickness or impairment that caused a loss of earnings.
WAO: after 52 weeks of sickness absence, the maximum duration of the Sickness Benefit Act.

6. *Adjustment for price changes*
Annual adjustment according to change in average wage level.

7. *Benefits level*
AAW: 70% of minimum wage (70% of HFL 92,52 per working day).
WAO: The Disability Insurance Act comprises 8 classes of disability, each with a corresponding benefit. The benefit increases by stages, up to a maximum benefit of 70% of wages for a worker whose disability rating is more than 80%.

Class of Disability	Benefit
< 15%	No benefit
15 - 25%	14% of the daily wage[1]
25 - 35%	21% of the daily wage
35 - 45%	28% of the daily wage
45 - 55%	35% of the daily wage
55 - 65%	42% of the daily wage
65 - 80%	50.75% of the daily wage
> 80%	70% of the daily wage

If invalidity benefit, together with the remaining family income, is beneath the relevant social minimum, replenishment is possible under the Suppletion Act or the Income supply for the old and the partially disabled unemployed Act (IOAW).

8. *Maximum duration of payment*
Till retirement (at age 65).

9. *Extra-legal supplements*
Collective labour agreements may provide a suppletion to WAO-benefit by employer during the first months or years of invalidity pension receipt.

10. *Completion of payment*
- recovery and restoration of earning capacity to at least 85% (WAO) or 75% (AAW); work resumption, or transfer to unemployment benefit scheme;
- transfer to old-age pension programme at age 65;
- death.

C. Qualifying conditions

11. *Insurance period*
None

12. *Waiting period*
52 weeks after the onset of the disability of at least 15% (WAO) or 25% (AAW) the person may become eligible for a benefit under the WAO or the AAW.

13. *Minimum loss of earning capacity*
25% (AAW), 15% (WAO)

14. *Other restrictions*
AAW: claimant should earn at least HFL. 4579,20 in the year preceding onset of the work incapacity.

[1] The daily wage is multiplied by 100/108. Once a year the client receives 8% holiday allowance.

D. Sources of funds

15. *Insured person*
WAO: 12% of the daily wage between the brackets of HFL 95 and 274.
AAW: The AAW-premium is tax-levied: 1,8% over a maximum of HFL 42.966 a year.

16. *Employer*
None

17. *Government*
None

E. Programme operation

18. *Carrier*
Both benefit schemes are administered by the trade associations, which also operate the Sickness Benefits programme.
The advice of the Joint Medical Service is mandatory in the case of disability assessment. The Joint Medical Service is an autonomous advisory body to all Trade Associations.

19. *Claim initiative*
AAW: the disabled person
WAO: trade association

20. *Supervision*
Social insurance physicians and labour experts of the Joint Medical Service.

F. Other programme elements

21. *Health care expenditures*
None.

22. *Prevention measures*
See Sickness Benefits.

23. *Rehabilitation*
Labour experts, employed by the Joint Medical Service, advise the employees and self-employed and encourage them to re-enter the labor market and to make adjustment possible to their injuries.

Payment to the employer for adaptations of the workplace, and working conditions, or at home, or schooling and transportation allowances are provided by the General Disablement Benefits Act.

The so called "small raise" ("opstapje"): under certain circumstances, the insured who is partically disabled can receive a higher benefit (corresponding to the next higher class of disability) for a maximum period of two years while resuming work.

Two institutes are specialised in vocational training and education for the disabled. These services are financed by the funds of the General Disability Benefits Act.

G. Major data sources

24. 1. In the Netherlands several sources provide information on invalidity benefits: "Statistical information of the Joint Medical Service" is published yearly. Information is given on new spells and volume of benefits and provisions, broken down by age, completions, amount of partial disability, diagnosis and kind of insured (employees, self-employed, early handicapped).

2. The Social Insurance Council (SVr) publishes each quarter an overview on the development of new claimants, completions, total number of disabled persons, etc. ("Ontwikkeling Arbeidsongeschiktheid").

3. Furthermore, annually financial statistics are published on the funds of AAW en WAO.

The Netherlands / Public Sector / Sickness, Work Injury, Occupational Disease

A. General Dimensions

Introductory Remark
Similar to the arrangements in the private sector benefit schemes in the public sector do not differentiate between occupational and non-occupational risks, with one exception (continuation of full wage payment period, see point 8).

1. *Current law*
The General Government Officials Regulation ("Algemeen Rijksambtenaren Reglement", ARAR) obtains only for civil government servants, not for other civil servants as military personel, teaching staff, and civil servants of municipality or province. They all have their own regulations, which however in many cases resemble the arrangements described here.

2. *Coverage*
Public servants contracted for more than six months (for shorter contracts the private sector scheme applies).

3. *Definition of work incapacity*
Incapacity for own work due to sickness. A dutch civil servant may be fully or partially work incapacitated.

4. *Other risks included*
Pregnancy, infirmity, occupational accident and disease.

B. Cash Benefits

5. *Benefits payment*
Payable from first day of work incapacity.

6. *Adjustment for price changes*
Does not apply (usually, continuation of full wage payments, including possible wage level adjustments).

7. *Benefits level*
No benefits paid but continuation of wage payment.
Temporary contract: full wage payment during the month of onset of sickness and subsequent twelve months; 80% of wage thereafter.
Permanent labour contract: full wage payment during 18 months instead of the first twelve; 80% thereafter.
If the civil servant's work incapacity is less than 55% and he/she works the residual working time, full wage payment is continued, also after 12/18 months.
Spells of work incapacity which are separated by less than 30 days are counted together to establish the maximum duration of full wage payment.

8. *Maximum duration of payment*
Full wage payment: see 7. 80% payment: no formal maximum duration.
If the insured works 45% or more of his or her working-time, full wage is paid also after 12/18 months. Also, if the sickness is caused to a great extent by work tasks or working environment, and the insured is not to blame for it, full wage is paid. 80% of wage is paid till the moment the insured is transferred to the invalidity programme. The employer has to ask the General Civil Pension Fund ("Algemeen Burgelijk Pensioenfonds", ABP) for a medical examination to establish the existence and degree of permanent disability. It is said that in many cases this will take place after one to one and a half year after the onset of work incapacity (data are not available). Till now there is no legal obligation to do so, but this is expected to change in the near future.

9. *Extra-legal supplements*
None

10. *Completion of payment*
- Transfer to invalidity pension scheme at retirement age (65)
- Transfer to old age pension programme or flexible retirement pension programme
- Death

C. Qualifying Conditions

11. *Insurance period*
None.

12. *Waiting period*
None.

13. *Minimum loss of earning capacity*
No minimum specified.

14. *Other restrictions*
None.

D. Sources of Funds

15. *Insured person*
Does not apply (wage payment by employer)

16. *Employer*
Pays full wage.

17. *Government*
If the insured is work incapacitated for more than one year, the employer receives general disability benefit (AAW) for the insured.

E. Programme Operation

18. *Carrier*
Employer.

19. *Claim initiative*
Employee.

20. *Supervision*
Medical officer of the occupational medical service the employer is affiliated with.

F. Other Programme Elements

21. *Health care expenditures*
None.

22. *Prevention measures*
The General Civil Pension Fund organizes a so called preconsult (vooroverleg). This is a meeting of the medical officer and some other functionaries of the Fund together with the occupational physician and if possible the personnel manager of the employer. They discuss cases of long term work incapacity which may lead to permanent disability, to see which measures can be taken to prevent the onset of this disability. This preconsult is not obligatory, about 30% of employers (excluding education), who represent 60 - 70% of civil servants, are taking part.

23. *Rehabilitation*
If necessary provisions (e.g. adaptation of the working place) are possible, paid by the General Civil Pension Fund ("Algemene Burgelijke Pensioenwet").

G. Major Data Sources

24. Data on work incapacity in civil servants are poor in the Netherlands. For educational personnel yearly, detailed statistics are available on temporary work incapacity, based on a sample of (non-universital) schools.
The Ministry of Home Affairs records sickness absence of governmental cival servants, but no publications are available yet. No central sources available on other segments of civil services (except railway).

The Netherlands / Public sector / Invalidity

A. General dimensions

Introductory note
Different causes of disability (sickness, infirmity or occupational injury and disease) are covered by the same law, although benefits levels may differ with different causes.

1. *Current law*
The General Civil Pension Act ("Algemeen Burgerlijke Pensioenwet") of 1966, amended in 1983.

2. *Coverage*
Civil servants, excluding railway officials, militairy personnel and civil servants on short-term contracts of six months or less but including civil servants placed on unemployment pay .

3. *Definition of work incapacity*
Permanent work incapacity for own work owing to sickness or infirmity. Since 1979 the General Civil Pension Fund is obligated to examin the capacities for other suitable work of those insured who are declared incaplable for own work and are under age 50.

4. *Other risks included*
Permanent work incapacity which is caused mainly by work tasks or working environment (an for which the ensured is not to blame).

B. Cash benefits

5. *Benefits payment*
From moment of dismissal consequent on declared permanent work incapacity for own work. If the insured receives a "declaration of capacity for other suitable work" ("herplaatsbaarheidsverklaring", only possible if work capacity exists for at least 50% of former working time), the title to invalidity pension is postponed for five years (or longer, in case the insured has managed to find another job; this postpoment is only possible till age 50).

6. *Adjustment for price changes*
Yearly.

7. *Benefits level*
As other Dutch inhabitants civil servants have rigt to AAW (see: private sector/ invalidity). However, this benefit is only paid to the insured if it exceeds the invalidity pension the insured is entitled to. In the other case the AAW benefit is paid to the General Civil Pension Fund.
Invalidity pension: 1.75 times the number of years worked (maximum 40 years are counted) is multiplied by the mean of the income the insured earned the last two

years before the year the insured is entitled to an invalidity pension. The insured can receive a supplement according to the degree of disability.

The benefit is supplemented to:
73% of the mean mentioned if disablement equals 80% or more
59.45% if disablement between 65% and 80%
45.89% if disablement between 55% and 65%
36.50% if disablement between 45% and 55%
27.64% if disablement between 35% and 45%
18.25% if disablement between 25% and 35%
9.39% if disablement between 15% and 25%
The "number of years worked" can be raised to a certain amount:
(65 - age of insured at entitlement to invalidity pension) x N.
N equals 1 if disablement equals 80% or more
N equals .8 if disablement between 65% and 80%
.6 if disablement between 55% and 65%
.5 if disablement between 45% and 55%
.4 if disablement between 35% and 45%
.3 if disablement between 25% and 35%
.2 if disablement between 15% and 25%
In many cases, cumulation of disability benefit with new earnings leads to reduction of benefit.

8. *Maximum duration of payment*
Till retirement age (65).

9. *Extra-legal supplements*
None.

10. *Completion of payment*
- transfer to old-age pension (age 65)
- death
- increasement of earnings above a certain treshhold

C. Qualifying Conditions

11. *Insurance period*
See 7 (benefits level).

12. *Waiting period*
None, the entitlement to benefit depends on a medical examination being asked for by the employer. In many cases this takes place between one and one and a half year after onset of work incapacity.

13. *Minimum loss of earning capacity*
AAW: 25%; invalidity pension dependent on years worked: none. Extra allowances: 15%.

14. *Other restrictions*
None.

D. Sources of Funds

15. *Insured person*
Contributres about 10% of wage above a certain treshhold for old-age and invalidity pensions.

16. *Employer*
Contributes 8,8% of wage for old-age and invalidity pension.

17. *Government*
For every insured who is sick for more than one year, AAW benefit is paid either to the employer (if the insured does not yet receive invalidity pension) or to the General Civil Pension Fund (if the insured is declared disabled for 25% or more).

E. Programme Operation

18. *Carrier*
General Civil Pension Fund ("Algemeen Burgerlijk Pensioenfonds", ABP)

19. *Claim initiative*
Employer (in most cases), or insured.

20. *Supervision*
Medical officer of regional office of General Civil Pension Fund.
A medical examination before payment of invalidity pension may be executed by the claimants occupational physician.

F. Other Programme Elements

21. *Health care expenditures*
None.

22. *Prevention measures*
- Preconsult (see public sector / sickness).
- The Act on the Working Environment (Arbeidsomstandighedenwet) has many regulations aimed at maintaining a good level of safety and health in firms and institutions.
- Work site provisions may be paid to prevent invalidity.

23. *Rehabilitation*
- Obligation to the employer to examine the possibility of other suitable work for the insured who is declared incapable for own work. The General Civil Pension Fund is responsible for helping handicapped civil servants to find a new job.

G. Major Data Sources

24. The General Civil Pension Fund yearly publishes an Annual Report. Data are available on insured (numbers, age, gender), (early) retired (numbers, new receivers, exclusions,

age, gender), permanently disabled (numbers, age, degree of disability, diagnosis), provisions, etc.

The Netherlands / Related Arrangements

A. Unemployment

1. *Current law*
   Werkloosheidswet (Unemployment Act) of 1986.
   (last revision in 1991)

2. *Coverage*
   Employees.

3. *Eligibility conditions*
   At least 26 weeks of paid employment during the last 12 months (entitles to a benefit during 6 months). For the entitlement to a benefit of longer duration, the duration of employment is taken into account. The maximum possible is five years; unemployed who were at least 57.5 years old at the onset of unemployment, get an unemployment benefit till age 65. A flat rate benefit is possible for unemployed who were 50 or over at onset of unemployment; this benefit is at a social minimum, and partial means-tested (IOAW).

4. *Benefits*
   70% of last daily wage of maximum HFL 274.01 per working day during the first six months and the extended benefit. After these benefits the unemployed receives during a year 70% of the relevant social minimum.

5. *Data on health limitations*
   No regular information available on helath restrictions of unemployment benefit recipients.

B. Early Retirement

1. *Current law*
   No legal arrangements, only by (collective) labour agreement (so-called VUT-arrangements). Thus, no **uniform** early retirement scheme.

2. *Coverage*
   It is estimated about 50% of firms and 70% of employees are covered.

3. *Eligibility conditions*
   In most cases, the minimum period worked for the employer to be entitled to a VUT-benefit is 10 years.

4. *Benefits*
   About 70% of gross earnings.

5. *Data on health limitations*
No regular information available on health restrictions of early retirees. Some research suggests that early retirement is used more frequently by employees with health complaints.

C. Labour Force Participation of Handicapped

Apart form the provisions and services carried out within the province of the invalidity benefit schemes, some additional arrangements can be used or are in development.

1. Sheltered Employment Act ("Wet Sociale Werkvoorziening", WSW), 1969. Mentally and physically disabled persons may be employed in sheltered workshops, operated by the Government.

2. Wage dispensation scheme ("Loondispensatieregeling") allows the employer to pay a lower wage than agreed in collective labour agreements when employing mentally or physically handicapped workers.

3. The Law on the Employment of Disabled Workers (WAGW) came into force in July 1986. Employers and labour unions are required to agree a quota rate between 3% and 7% of jobs to be filled by disabled workers. So far compulsory quota have not been agreed yet, and persons with disabilities are employed on a voluntary basis.

4. Adaptations of work sites, or at home as well as occupational resettlement measures may be covered by the General Disablement Benefits Act (AAW).

United Kingdom

United Kingdom / Private & Public Sectors / Sickness

A. General Dimensions

Introductory note
Both public servants and employees in the private sector are covered by the same income replacement programmes. Only the Statutory Sick Pay arrangement may be somewhat more favourable for public servants, compared to private sector employees.

1. *Current law*
Social Security Acts of 1975, 1982 and 1986, and regulations. Employers pay a statutory minimum of sick pay (SSP) to employees for whom there is liability, when they are sick and incapable of work due under the contract with the employer. It completely replaces State sickness benefit for most employees, which is not payable when there is entitlement to SSP. A recent report showed that 91 per cent of employees now work for employers with occupational sick pay schemes.

2. *Coverage*
Sickness Benefit: all employed persons who have no title to Statutory Sick Pay or where SSP has ended, self-employed, unemployed or nonemployed.
(Exception: Married women who opted before 1977, not to be insured, persons over deferred pension age).

Statutory Sick Pay: employees, with the exception of certain categories (Aged over state pension age; working on contracts of three months or less; with average weekly earnings below certain minimum; UK£ 46; from 1-04-1991: UK£ 52). Persons not qualifying for SSP claim Sickness Benefit instead.

3. *Definition of work incapacity*
Sickness benefit: Physical and mental work incapacity regarding the present occupation.

Statutory Sick Pay: physical and mental work incapacity regarding the present work due under the contract with the employer.

4. *Other risks included*
Maternity and confinement

B. Cash Benefits

5. *Benefits payment contributory sickness*
Three waiting days: Payment of sickness benefit or SSP only for spells of sickness for 4 days or more in a row.

6. *Adjustment for price changes*
Annually

7. *Benefits level*
Sickness Benefit: UK£ 35.70 a week (from 1-04-1991: UK£ 39.60)

Increase for adult dependant: UK£ 22.10 a week (Family benefit)

For Statutory Sick Pay two rates are applied, depending on the employees average weekly earnings in the 8 weeks before the sickness began.
If weekly earnings are UK£ 185 or over : UK£ 52.50
If weekly earnings are UK£ 52.00 - 184.99: UK£ 43.50
If weekly earnings are under UK£ 52.00: Nil
There are no dependency increases payable with SSP.
SSP is treated as earnings and is subject to income tax and to national insurance contributions from both the employer and employee.

8. *Maximum duration of payment*
SSP: 28 weeks.

9. *Extra-legal supplements*
Many employees are entitled to supplements by (collective) labour agreement

10. *Completion of payment*
- Restoration of work capacity, work resumption or unemployed.
- Transfer to invalidity pension programme

C. Qualifying conditions

11. *Insurance period*
Sickness benefit: contributions paid on earnings of at least 25 times the lower earnings limit in any one tax year, plus contributions paid or credited on earnings of at least 50 times the weekly lower earnings limit in the last tax two years.

SSP: no contributions, but employee should be under contract for over three months.

12. *Waiting period*
For both arrangements: 3 days (calendar days, excluding sundays).

13. *Minimum loss of earning capacity*
None

14. *Other restrictions*
None

D. Sources of funds

15. *Insured person*
Sickness benefit: 2% on first UK£ 46, on balance up to UK£ 350.
If earnings-related component contracted out, 2% on first UK£ 46 plus 7% on balance up to UK£ 350.

16. *Employer*

Sickness benefits: 5 - 10.45%, according to employee's wage bracket. If earnings related component contracted out, 5% paid on first UK£ 46, 1.2 - 6.65% on all weekly earnings UK£ 46 to UK£ 350 and 10 - 45% on weekly earnings over UK£ 350. Currently the employer can recover the whole of SSP he pays. From April 1991 only 80% of the SSP paid will be reimbursed from the Department of Social Security.

17. *Government*
None

E. Programme operation

18. *Carrier*
Sickness benefit: Regional and local offices of Department for Social Security (DSS);
SSP: employer.

19. *Claim initiative*
Insured (first week: self certification).

20. *Supervision*
General practitioner providing treatment and certification.

Sickness benefit: Regional Medical Officer (RMO) of DSS.

SSP: employer may retain an general physician of his own choice to check work incapacity.

F. Other programme elements

21. *Health care expenditures*
Included (for all inhabitants) in National Health Service.

22. *Prevention measures*
-

23. *Rehabilitation*
All rehabilitation services are organized and financed by the Manpower Services Commision (Department of Employment).

G. Major data sources

Annually the Department of Social Security publishes statistical overviews on sickness benefits paid, claimants, spell duration, etc. However no central data are available on Statutory Sick Pay, and not always a clear cut distinction is made between sickness and invalidity benefits.

United Kingdom / Private & Public Sector / Work Injury, Occupational Disease

A. General dimensions

1. *Current law*
Acts of 1975 and regulations thereunder. Special regulations for selected occupational diseases.

2. *Coverage*
See: Sickness Benefit scheme.

3. *Definition of work incapacity*
Personal injury by accident arising out of and in the course of insured employment. Injuries arrising from commuting accidents as a general rule are not covered.

4. *Other risks included*
List of industrial diseases.

B. Cash benefits

5. *Benefits payment*
During 15 weeks (90 days) after date of accident, or date of onset of industrial disease: payment of Statutory Sick Pay or Sickness benefit. Subsequently the employee can be entitled to Industrial Injuries Disablement Benefit.

6. *Adjustment for price change*
Annually

7. *Benefits level*
Disablement benefits are not paid if disability or loss of physical or mental faculty is less than 14% (except if suffering from one of prescribed respiratory diseases). Degrees of disablement are laid down in a scale, with corresponding pension rates (20%, 30% ---100%). Weekly pensions paid vary from UK£ 15.32 (20%) to UK£ 76.80 (100% disablement). Pensions are lower if under 18 with no dependents. Additionally, pension recipient may be entitled to several allowances in case of constant attendance, exceptionally severe disablement, unemployability or retirement.

8. *Maximum duration of payment*
Unlimited

9. *Extra-legal supplements*
Some labour contracts provide more favorable additional conditions.

10. *Completion of payment*
- Normal retirement age;
- Recovery (restoration of work incapacity).

C. Qualifying conditions

11. *Insurance period*
See Sickness benefit conditions.

12. *Waiting period*
Fifteen weeks after date of injury or onset of industrial disease.

13. *Minimum loss of earning capacity*
15% (except for certain occupational diseases).

14. *Other restrictions*
-

D. Sources of funds

15. *Insured person*
Sickness benefit see scheme.

16. *Employer*
Sickness benefit see scheme.

17. *Government*
Sickness benefit see scheme.

E. Programme operation

18. *Carrier*
Regional and local offices of Department of Social Security (DSS)

19. *Claim initiative*
Insured

20. *Supervision*
Regional Medical Officer of DSS.

F. Other programme elements

21. *Health care expenditures*
Paid for National Health Service

22. *Prevention measures*
-

23. *Rehabilitation*
Employment rehabilitation centres, disablement resettlement officers and vocational training facilities throughout the country, all services offered (and financed) by the Employment Department.

G. Major data sources

24. Yearly overviews provided by the Department of Social Security provide a restricted insight in Industrial injuries disablement pensions paid, allowances, etc.

United Kingdom / Private & Public Sector / Invalidity

A. General dimensions

1. *Current law*
Social Security Acts of 1975, 1982, 1986 and regulations.

2. *Coverage*
Sickness benefit see scheme.

3. *Definition of work incapacity*
Physical and mental work incapacity regarding the present or other suitable occupation

4. *Other risks included*
-

B. Cash benefits

5. *Benefits payment*
Invalidity pension: payable after Sickness benefit or Statutory Sick Pay has lasted for 168 days (28 weeks).

6. *Adjustment for price changes*
Adjustment by legislation, at least annually, in line with movements in the general level of prices

7. *Benefits level*
Invalidity pension: current rate UK£ 46.90 (April 1991: UK£ 52.00).

Additional pension: earnings related elements based on contributions paid. Current maximum UK£ 49.74 (April 1991: UK£ 57.10).

Furthermore "invalidity allowance" may be paid: 3 rates, varying according to the age when total disability arose:
persons under 40 years: UK£ 10.00 (1-04-1991:UK£ 11.10)
persons aged 40 -49 years: UK£ 6.20 (UK£ 6.90)
men aged 50 - 59, and women aged 50 - 54 years: UK£ 3,10 (UK£ 3.45)

Earnings related addition: 1.25% of yearly earnings (from 6 april 1978) between the lower and upper earning limits (amounts revalued annually).

In applicable cases also payment of:
- dependents supplements (for spouse and children);
- attendance allowance;
- mobility allowance.
Income tax is not payable on Invalidity benefit.

8. *Maximum duration of payment*

Invalidity pension: from the day after the end of the primary period of work incapacity until retirement age (60 for women, 65 for men; can be deferred for maximum of 5 years).

Invalidity allowance: as above, but to qualify the incapacity must begin at least 5 years before retirement age.

9. *Extra-legal supplements*
(Large) employers may include more favouable arrangements in contracts, but scale of application is unknown.

10. *Completion of payment*
- Normal retirement age (male 65, female 60).
- Restoration of health (resumption of work, unemployed).

C. Qualifying conditions

11. *Insurance period*
Insured must have been entitled to sickness payments for 168 days (excluding sundays). Employees who are entitled, for a period of 28 weeks, to statutory sick pay from employer, are deemed to have fulfilled contribution conditions for sickness benefit during this period (but only if they satisfy the contribution condition on the first day of Statutory Sick Pay).
Those employees entitled to such sick pay for less than 28 weeks, receive sickness payment for 28 weeks.

12. *Waiting period*
In case of sickness benefit and Statutory Sick Pay: 168 days (excluding sundays).

13. *Minimum loss of earning capacity*
None

14. *Other restrictions*
All pensions and allowances mentioned are not means tested.

D. Sources of funds

15. *Insured person*
Sickness benefit see scheme.

16. *Employer*
Sickness benefit see scheme.

17. *Government*
Sickness benefit see scheme:
Full cost of "attendance allowance", "mobility allowance" and "severe disablement allowance" are financed by government.

E. Programme operation

18. *Carrier*
Regional and local offices of Department of social security (DSS)

19. *Claim initiative*
Insured person.

20. *Supervision*
Regional Medical Officer (RMO) of DSS;
General Practitioner provides medical treatment and doctor's sick note to legitimate prolonging work incapacity.

F. Other programme elements

21. *Health care expenditures*
Covered by National Health Service.

22. *Prevention measures*
Preventive medical care is provided by the National Health Service

23. *Rehabilitation*
Medical rehabilitation is provided by the NHS.
Vocational rehabilitation services are carried out by the Manpower Services Commision (Department of Employment). Several measures for the employment of people with disabilities are provided within the framework of the general employment programme. E.g. sheltered employment and a special placement service are provided by the disabled persons legislation of 1944 and 1958. Allowances are payable during training.

G. Major data sources

Annually some basic statistics are published on invalidity benefits paid. The overviews showever, have a restricted scope, E.g. no information is available on the population of insured, or individual accumulation of benefits and allowances.

United Kingdom / Related Arrangements

A. Unemployment

1. *Current law*
   Act of 1975 and regulations thereunder

2. *Coverage*
   All employed persons (exept married women who decided in 1975 not to be insured)

3. *Elegibility conditions:*
   - Contributions paid in any tax year since 6 april 1975 amounting to at least 25 times the minimum contribution for that year, and contributions paid or credited in the appropriate tax year amounting to at least 50 times the minimum contribution for that year;
   - to be capable of work;
   - to be available for work with an employer;
   - to have signed on at the employment office;
   - not to be unemployed due to voluntary leaving, misconduct or strike action.

   3 waiting days are applied.

4. *Benefits*
   Flat-rate benefit, limited to 312 days excluding Sundays in any period of interruption of employment. A claimant requalifies for a further period of 312 days when he has worked for an employer for 13 (not necessarily consecutive) weeks of 16 working-hours or more. Payable to age 65 (men) or 60 (women). Not payble with other social insurance benefits.

5. *Data on health limitations*
   Restricted Statistics available on unemployed with disabilities.

B. Flexibel/early Retirement

1. *Current law*
   Act of 1975 and the regulations thereunder

2. *Coverage*
   Flat-rate pension: all persons over school age, resident in the UK (except married women who opted before April 1977 not to be insured).
   Graduated pension: all employed persons in the scheme who earned more than UKL 9.00 a week between 6 April 1961 and 5 April 1975.

3. *Elegibility conditions*
   Flat-rate pension: at least 50 weekly flat-rate contributions paid at any time before 6 April 1975, or contributions paid in any tax year amounting to at least 52 times the minimum contribution for that year; requisite number of qualifying years during the contributor's working life.
   Graduated pension: none.

Retirement age: men 65, women 60; Postponement of retirement for maximum 5 years possible. Retirement pension is income-tested between age 65 and 70 (men) or 60 and 65 (women). From age 70/65 full accumulation is possible.
Early retirement: no general arrangements applied.

4. *Benefits:*
Old-age pension may be composed of several programmes:
1. Flat-rate pension
2. Graduated pension
3. Additional pension
4. Supplements for spouse or dependant children

5. *Health limitations*
No information available on health restrictions.

C. Labour Force Participation of Handicapped

Rehabilitation measures and other services to assist persons with desabilities to gain or retain employment are the concern of the Employment Department. A wide range of provisions and services are being carried out:

1. A "quota scheme" place duty on employers with 20 or more workers to employ a 3% quota of registered disabled people in their work force. It is indicated that this agreement operates unsatisfactory.

2. "Sheltered employement" for persons with severe disabilities:
   - Remploy: a Government supported company
   - Sheltered workshops, which are run by local authorities or volumtary bodies
   - Sheltered placement programme which allows disabled persons to work alongside non-disabled workers
   - Blind homeworkers scheme, supporting working from home.

3. Employment rehabilitation services, disablement advisory service and disablement resettlement officers, etc., operating from Jobcenters to direct occupational connselling training, and advice to persons with disabilities, and help to employers on the employment of people with disabilities.

4. Special schemes to facilitate employment, such as:
   - Job introduction scheme for the employment of a disabled for a trial period;
   - Special equipment on loan;
   - Grants to employers for adaptations of work sites and accessibility;
   - Transportation assistance.

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