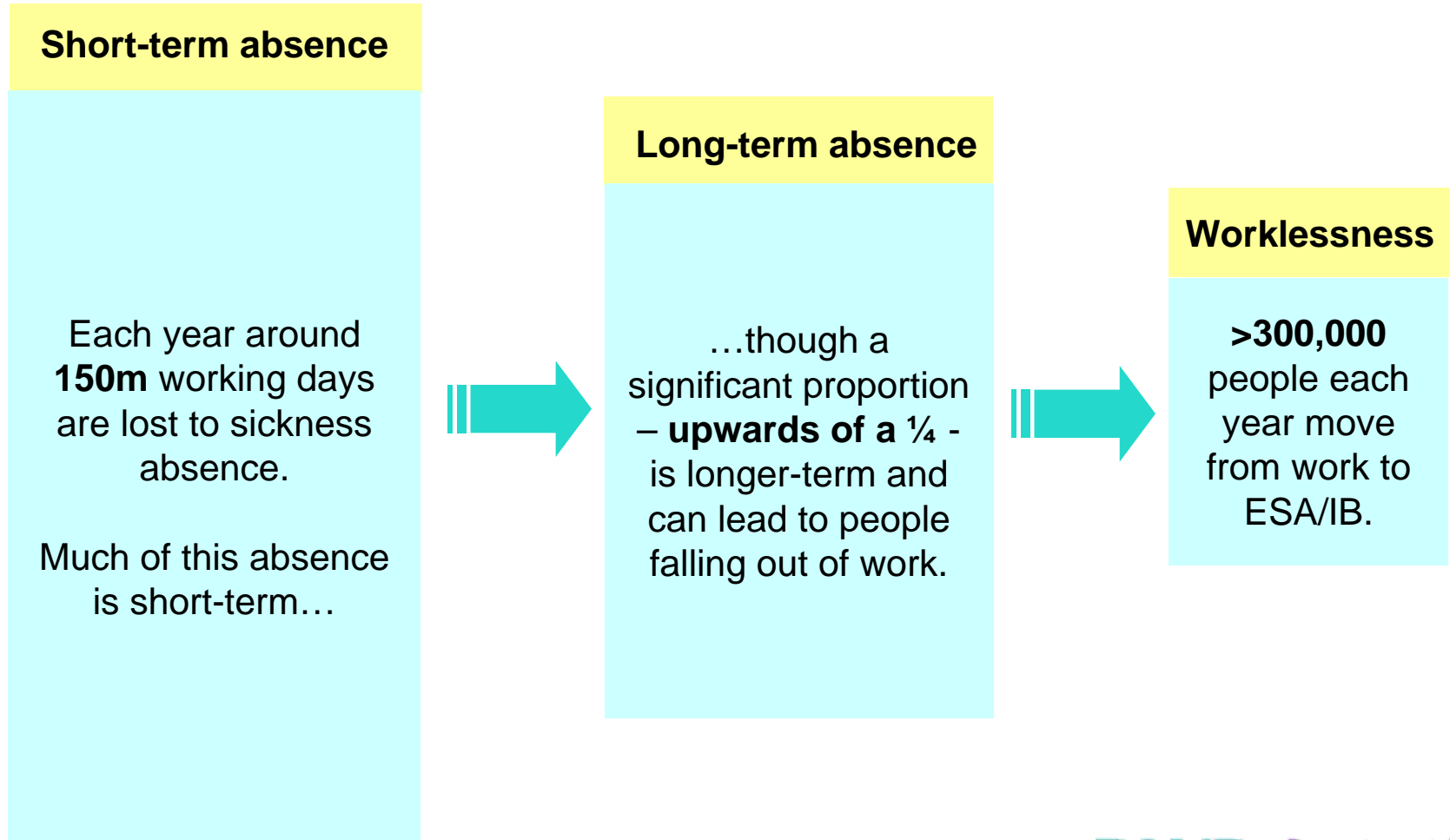


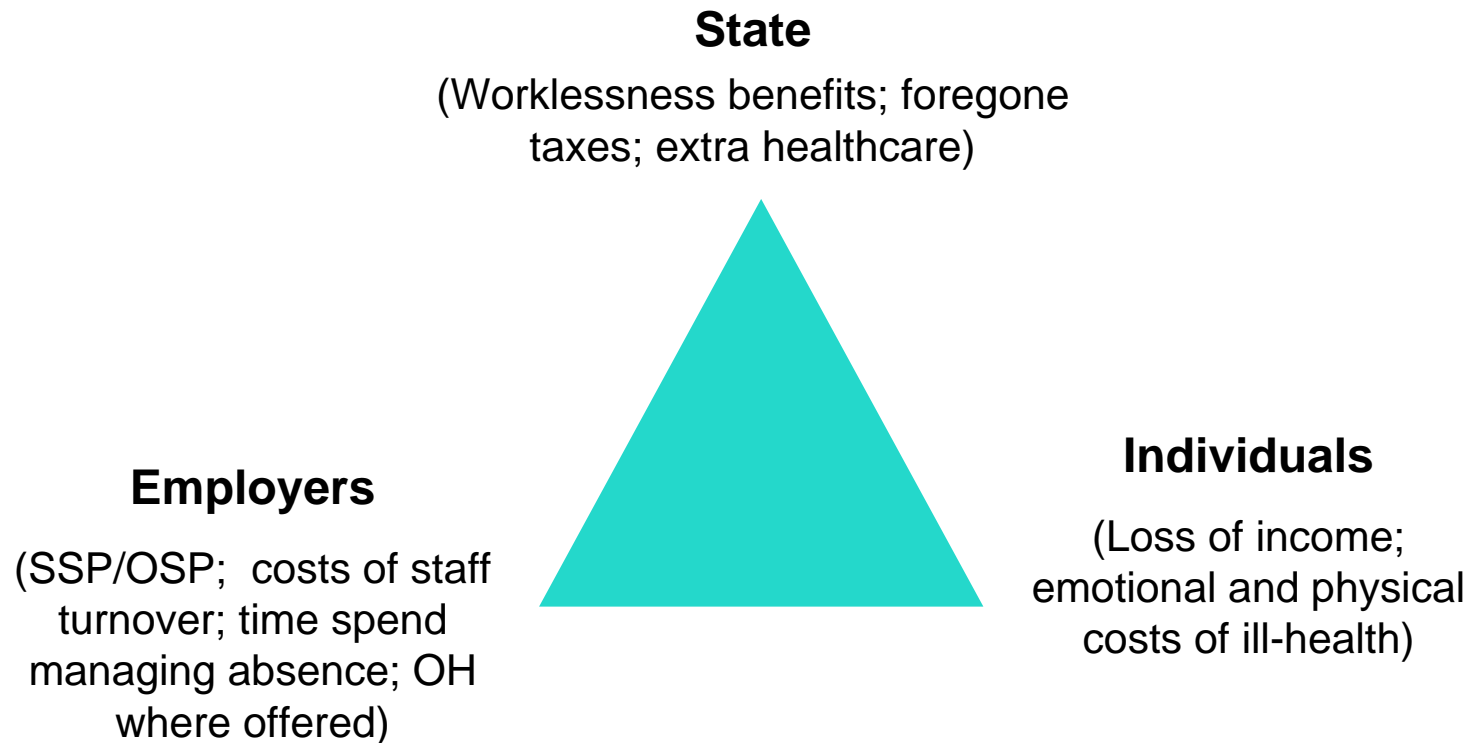
# Sickness Absence Review

Donna Ward  
9<sup>th</sup> March 2010

# What is current position?



# Where do the costs of sickness absence and ill-health fall?



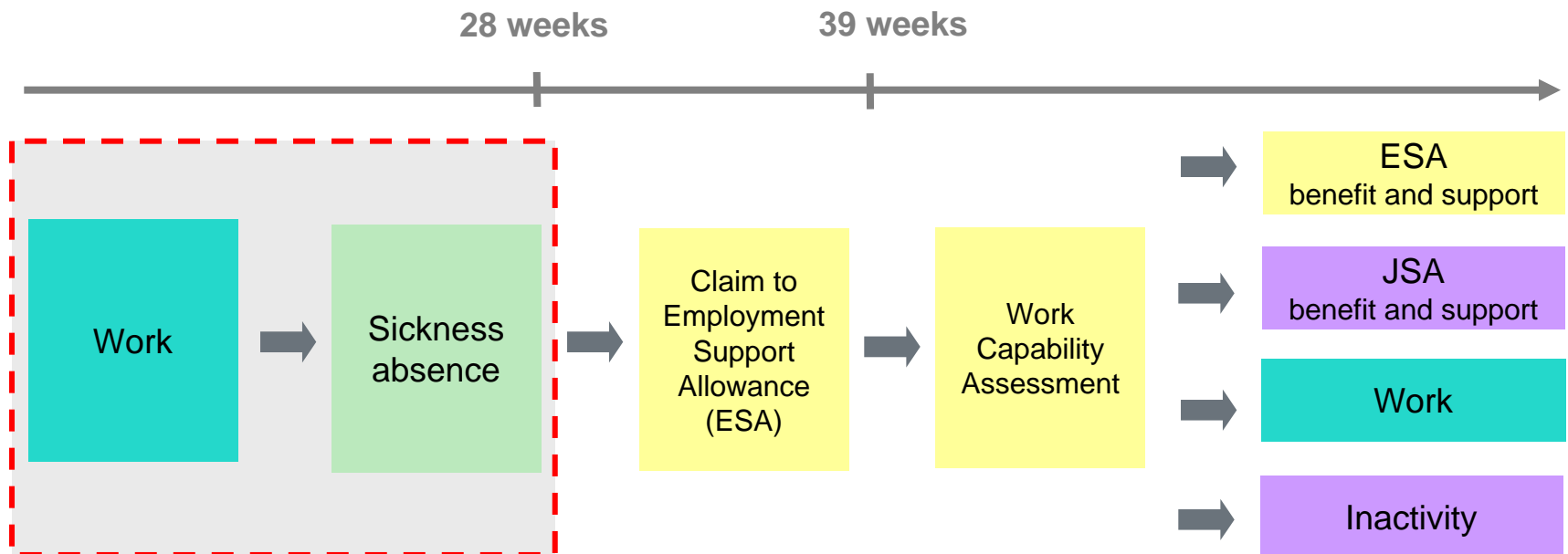
## Independent review of sickness absence

The scope of the review is to:

- explore how the current sickness absence system could be changed to help people stay in work and reduce overall costs;
- examine whether the balance of these costs are appropriately shared between the State, individuals and employers; and
- make tangible recommendations for system change.

# The current journey

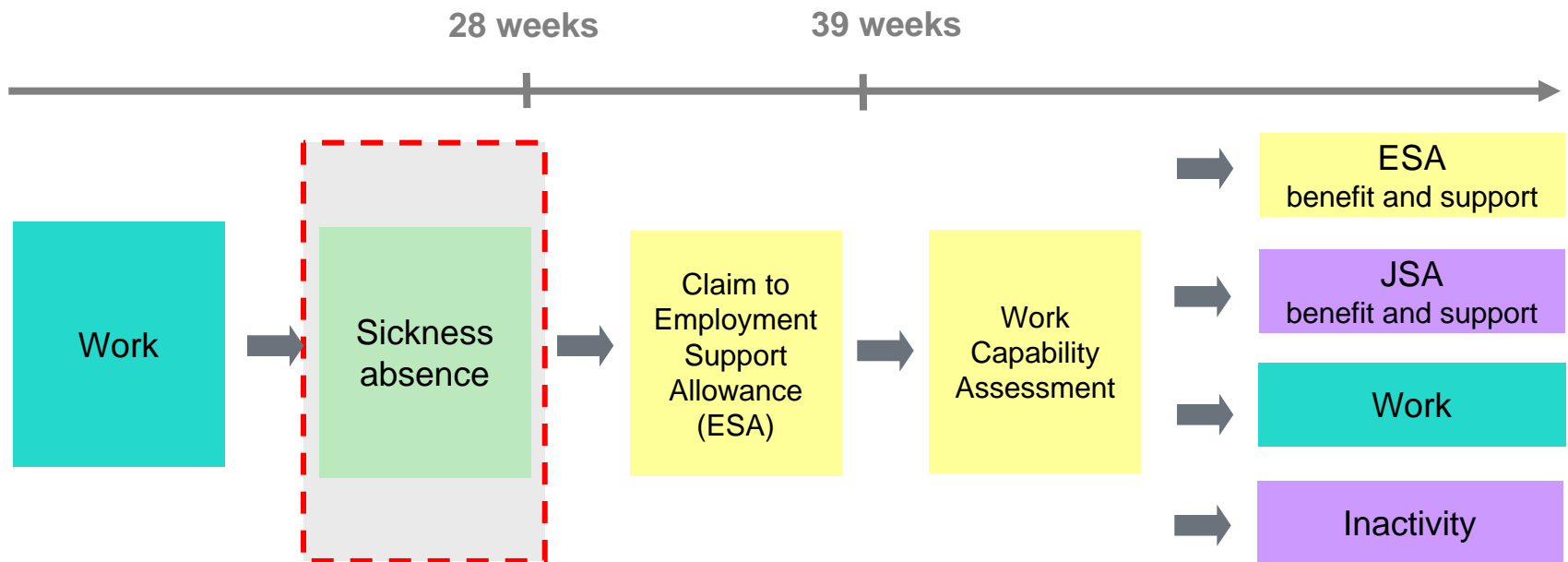
Incentives to rehabilitate and retain individuals in work lies with **employers**...



Employers pay sick pay and some offer rehabilitation and occupational health support.

# The current journey

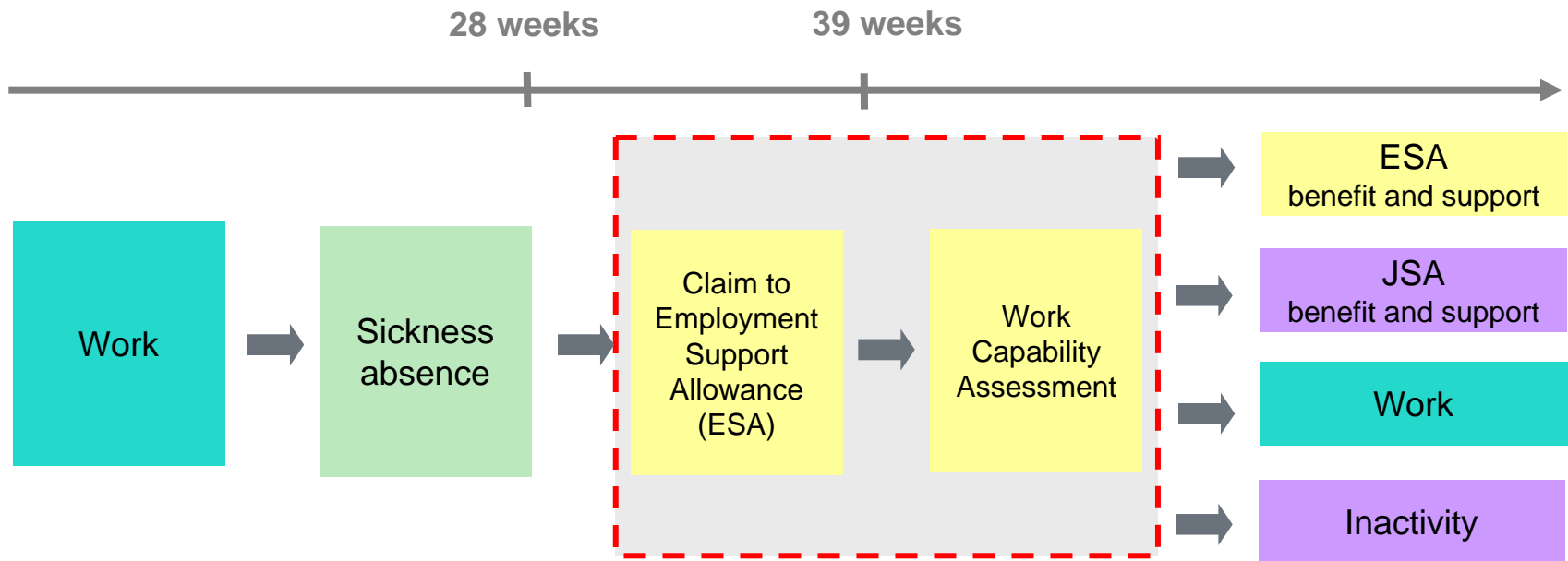
**GPs** also play a crucial role.



GPs provide sickness certification and are typically the first healthcare professionals that people encounter when off sick from work.

# The current journey

**The State's** main interventions are focused on the after job-loss period.



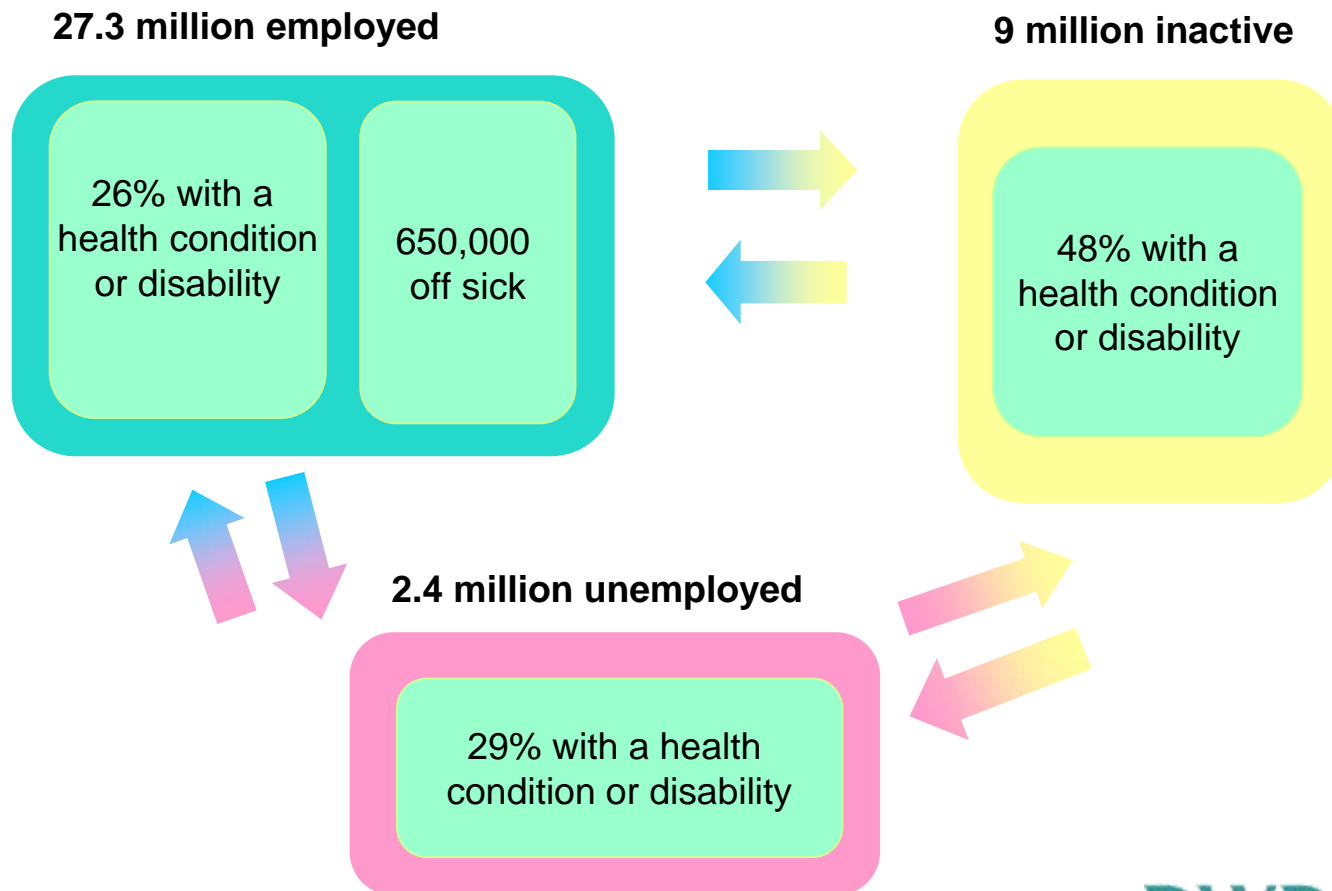
The State defines levels and duration of SSP and controls the benefit system.

## Those flowing from work to ESA typically...

- Have lower skills;
- Are lower paid;
- Suffer from mental health or musculoskeletal disorders; and
- Are more likely to have been working in a small or medium-sized enterprise.



# Yet a health condition need not necessarily prevent someone from working



## Key questions - individuals

Why do some people with a certain health condition work while others with the same condition do not?

How much sickness absence is driven by sick pay incentives?

In what circumstances do individuals exit work to flow on to ESA and how many would have preferred to stay in work?

If flows on to ESA are reduced, what is the impact on other groups in the labour market (e.g. those trying to enter the labour market from unemployment or education)?

## Key questions - employers

What drives the differences in sickness absence rates between larger and smaller companies, between public and private sectors and different industries?

In what circumstances does ill-health lead to an employer wanting an individual to exit employment? How much overlap is there between exits for ill-health and exits for under-performance?

What are employers' main concerns in this area – is it the cost of sickness, of rehabilitation or problems around dismissals?

## Key questions – health professionals

- What drives sickness certification behaviour?
- Does this vary between physical and mental health conditions?
- How effective is occupational health in facilitating returns to work? How could OH be improved?

## Key questions – international evidence

Which countries, if any, have a more efficient (less costly) sickness absence system?

What are the labour market impacts of placing relatively more responsibility for sickness and disability on employers?

Why do some countries rely on private, rather than State insurance for sickness/disability and what are the pros and cons of this?

## Timetable

- 17 February - Review announced.
- Two stages of the review

Stage 1 (Feb – May): Evidence gathering and analysis

Stage 2 (May – Aug): Policy focus

- Publication in late summer 2011

## Next Steps

We want to hear your views:

Now, in the evidence gathering stage, to:

- Test that our key questions are right;
- Check for any gaps – what other things should we consider, and;
- To suggest other sources of information we can use.

And later, in the policy phase:

- To examine the emerging options

## How to contact us

**Please do contact us by email at:**

sickness.absencereview@dwp.gsi.gov.uk

**or in writing:**

Independent Sickness Absence Review

6A Caxton House

Tothill Street

London SW1H 9NA

**We will keep in touch with you as the review progresses**