

Effects of re-assessment of disability benefits recipients in the Netherlands

The Netherlands suffered from the “Dutch Disease”. Sickness absence rates and the numbers of persons on disability benefits were extremely high. During a period of numerous years there was a heated debate on this issue. I think that the discussion lasted for more than 25 years. In the last few years we stepwise tried to curb the growth of these schemes.

We can describe these measures by two basic ideas.

The first is to redesign the social security system by re-allocating the responsibilities within the system. Key element is to put the responsibility for coping with social risks at the level at which it best can be influenced. The state can restrict itself to setting basic standards.

The second message is that we do not start looking at what you cannot do. But start looking at what you can do. From a passive benefit system to an active sickness and disability system.

The focus of the “old” system was too much on not being able to work. That focus has to change. The re-assessment operation is part of that new focus and is intended to correct the old focus of “benefit first” in the old system into the focus on “work first”.

In all disability benefit systems we introduce this line of thinking.

Recently we discussed in parliament a major change in the disability benefit for youngsters who are already disabled at the age of 18. In fact we applied the same philosophy. From the age of 18 to 27 we have a period in which all efforts are focussed on work. At the age of 27 we reassess the disability status.

The re-assessment operation of those on employee disability benefit was a major operation. It was decided to restrict the re-assessment to the disabled below the age of 50 on benefit according to the new disability criteria. This age limit was decreased to 45 two years ago. We could not write off the younger disabled and leave them in a benefit until retirement. The re-assessment operation was accompanied by a large investment in activation measures.

The re-assessment operation for persons on employee disability benefits is now nearly completed. Of the 332.000 persons re-assessed until 2008 37% with an employee disability benefit lost their benefit or received a lower benefit. For the other two-third of the persons re-assessed there was no change in the benefit or even an increase in the benefit level.

The re-assessment operation was combined with an effort to reintegrate the people who were re-assessed. The occupational rehabilitation officer draws up a reintegration vision for everyone after reassessment. This document describes the best route (back) to work and explains which reintegration instruments are needed.

The re-assessment operation was unique and drew a lot of attention. To monitor the effects of the re-assessment, research was done on two cohorts of persons reassessed. One research cohort started in 2005. The other research cohort started in 2006. These two cohort studies looked into aspects as the health situation, income effects and work status. Only those persons were taken on board in the cohorts who lost their benefit or who received a lower benefit. The re-integration efforts were aimed at getting the disabled back to work in accordance with their remaining earning capacity. For those who are partially disabled this means that a part-time job or a full-time job at a lower salary would be the target. Because there is a lot of part-time

work available in the Netherlands it may be easier to re-integrate persons in part-time jobs than in other countries.

Two groups are being tracked in the research: the group reassessed mid 2005 and the group reassessed mid 2006. Both groups are being interviewed 4, 8 and 18 months after the reassessment. The 2005 cohort was interviewed again after 42 months, the 2006 cohort after 30 months. The final report has recently been finalized.

This research shows a growing number of reassessed people using their remaining earning capacity. The explanation for this is, among other things, more effective support and a better labour market. Of those reassessed in 2005 60% work at the end of 2008. Of those reassessed in 2006 65% worked at the end of 2008. We consider this to be a good result.

One other result I would like to mention is also promising. The research shows that stability of employment for the re-assessed persons is increasing. During the entire period that the cohort was followed, more employed disabled persons had permanent contracts. For instance: of those reassessed in 2005 the percentage with a permanent job increased from 47% to 71% at the end of 2008. The numbers of persons on temporary contract declined.

Within the group of re-assessed persons there is a group who feel that they have no chance on the labour market because of their perceived health. Recently we introduced so-called “bridge jobs” which we hope will help this group find work.

To round up: We are not dissatisfied with the result of the re-assessment operation. Many believed it would be impossible to re-integrate those disabled persons who have been out of

touch with the labour market for a long time. The work may not always be full-time work, but we feel that work is an important way of participation in society.

The next step in reforming disability is the benefit system for youngsters who are disabled at a young age. We are reforming this system along the same lines as the other benefit systems.

Work first based on what you can do. We are hoping that this reform will prove to be a success. Youngsters are the future of society.

Thank you for your attention.