

ISF Report 2013:6

Individuals who reach the maximum period for receiving sickness benefit

Swedish Social Insurance Inspectorate

Stockholm 2013

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Summary

The Swedish Social Insurance Inspectorate (Inspektionen för socialförsäkringen, ISF) is an independent supervisory agency for the Swedish social insurance system. The objectives of the agency are to strengthen compliance with legislation and other statutes, and to improve the efficiency of the social insurance system through system supervision and efficiency analysis and evaluation.

The ISF's work is mainly conducted on a project basis and is commissioned by the Government or initiated autonomously by the agency. This report has been commissioned by the Government.

Background

In 2008, the sickness insurance scheme in Sweden was reformed. One of the alterations made was the introduction of a maximum period for receiving sickness cash benefit (914 days) and temporary sickness compensation (18 months)¹. The introduction of this new regulation made it necessary for a tailored labour market programme as well as economic support to be provided for those who had exhausted their days of sickness benefit. As a result, incentives were created in order to enable people to enter or re-enter the labour market. In January 2010, at the same time as when the first individuals had exhausted their days of sickness benefit, the new labour market programme *Introduction to Working Life* was introduced. The three month programme is provided by the Public Employment Service, and the participants receive financial aid on a similar level to unemployment benefits. After completion of the programme an individual can be granted further activities at the Public Employment Service. It is also

¹ Temporary sickness compensation was abolished as a sickness benefit from 1 January 2013.

possible for the individual to apply for a new period of sickness benefit after a period of 90 days without these benefits.

Objectives

This project focuses on the characteristics of those who had exhausted days of sickness benefit, and compares the group who returned to the sickness insurance within a year with those who did not return. The ISF also examines the development of labour income and the claiming of financial support from the social assistance system for those who. The ISF has also studied the efforts made by the Public Employment Service and the Social Insurance Agency with a sample of individuals who had exhausted their days of sickness benefit and then returned to sickness insurance within one year.

Methods

Register data from the Social Insurance Agency and the National Board of Health and Welfare were used to describe the characteristics of those who had exhausted days of sickness benefit in 2010.

Logistic regression analyses were performed in order to describe how different individual characteristics co-varied with the probability to return to the sickness insurance within one year. An extensive study of case files was also conducted, mainly with the purpose of describing the measures taken by the Public Employment Service and the Social Insurance Agency for individuals who returned to the sickness insurance. However, the main results reported in this summary refer only to the register study.

Findings

About 41,000 people reached the maximum duration of sickness insurance in 2010, and consequently left the sickness insurance system. Seven out of ten of these were women. Every other person was diagnosed with mental and behavioural disorders.

When comparing the labour income for persons who ran out of sickness insurance, one out of ten persons had a decreased income in 2010 compared to 2009. Three out of ten persons had increased their labour income.

Among those who had exhausted days of sickness benefit, the proportion of people who received income support at least 6 months within a year increased to 8.6 per cent (from 2.5 per cent in 2009). The largest increases of the proportion who received income support were among those who previously had full time compensation from the sickness insurance, those who were diagnosed with mental and behavioural disorders, those who were 30–49 years old, and those who had reached the maximum duration of temporary sickness compensation. The increase in the proportion of people who received income support was larger among those who did not return to the sickness insurance within one year than among those who returned. Possible explanations for the increased need for income support are that many people do not qualify for unemployment benefits or that the benefit levels for the unemployed are too low to provide the basic needs for the individuals, thus making the provision of income support necessary.

Of those who had run out of sickness insurance, about 50 per cent returned to the insurance within a year, and of those about every other person returned within 90 days. Women had a higher probability returning to sickness insurance than men. Individuals diagnosed with mental and behavioural disorders were less likely to return than people with other diagnoses.