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SWEDISH SOCIAL
INSURANCE INSPECTORATE

	Summary 2017:5
	Disability pension for young adults

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Swedish Social Insurance Inspectorate

www.inspsf.se

Stockholm 2017

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Authors: Malin Olsson, Åsa Barat Ullenius, Nina Karnehed, Ola Leijon,
Katarina Sjöberg and Berit Hamrén

Summary

Disability pension for young adults

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

Disability pension for young adults is a time-limited form of benefit for young adults with a long-term reduction in work capacity. A prerequisite is that this reduction in work capacity can be expected to last for at least one year. The benefit can be granted at the earliest from the July of the year in which the individual turns 19, up until the month before the month the person turns 30. A period of disability pension may not cover more than three years at a time.¹ But it is possible to apply for a new period when the previous one comes to an end.

Despite the disability pension being a time-limited benefit, many young adults continue to receive the benefit until they turn 30. When the individual is no longer entitled to disability pension, they are able to apply for sickness compensation².

The purpose of the disability pension – beyond providing financial security in the event of reduced work capacity – is to encourage young people to be involved in activities during the period in which they receive the benefit. The idea is that the activities will have a positive impact on the person's functional ability and improve work capacity.

Few studies have been conducted into the activities carried out within the scope of the disability pension. This means there is a lack of knowledge about what activities are offered and if the activities meet the intentions. A previous study has, however, revealed that comparatively few people participate in activities.³

¹ Chapter 33, of the Social Insurance Code.

² The right to sickness compensation is mainly regulated in Chapter 33 of the Social Insurance Code.

³ The Swedish National Audit Office (2015), p. 97.

Objectives

The first objective of the study is to follow-up what happens to young adults when the disability pension comes to an end.

The second objective is to review how the Swedish Social Insurance Agency assesses the right to sickness compensation. The specific question is whether there is a difference – with regard to the processing of sickness compensation applications – between young adults who have previously received disability pension and those who have not.

The ISF has also examined which activities people take part in during the period in which they receive disability pension.

Methods

The ISF has studied individual cases as well as conducting a registry study; this in addition to a judicial enquiry and document review.

Findings

The ISF established that the decisions concerning sickness compensation are of good quality. The study also revealed that the quality of investigations and decisions concerning sickness compensation do not differentiate between young adults who have previously received disability pension and those who have not.

Despite this, there may still be individuals for whom sickness compensation could be avoided, at least to a certain extent, with more activities during the period in which they receive disability pension.

The study showed that the activities do not, to a sufficient extent, lead to young adults approaching the labour market. Only 46 percent of those who received disability pension participated in work-related activities.

The fact that taking part in activities is voluntary also means that young adults bear a great responsibility to actually take part. In this context, it is important to note that these people have varying capabilities when it comes to taking the initiative to participate in activities. Many have diagnoses whereby symptoms include social difficulties or difficulties taking initiative.

The difference between systems for disability pension and those for sickness compensation means that it is possible for people who have been on disability pension for 10 years, without any form of activity that could promote improved work capacity, to be deemed entitled to sickness compensation regardless of this.

The analysis also revealed that the situation in terms of people's livelihood is varied and complex once disability pension has stopped. Different sources of income are combined and the individual composition of these sources varies over time. It is, for example, not uncommon for a person to begin providing for themselves during the month of their 30th birthday by a means other than sickness compensation, only to be granted sickness compensation one or two years later.

Recommendations

The ISF recommends the government

- to assess whether all activities during the period of disability pension should be voluntary, if activities can be assumed to lead to improved work capacity.

The government should also:

- commission the Swedish Social Insurance Agency to follow-up how the new rules regarding sickness compensation for young adults are implemented.

The shortcomings that were revealed during the course of the study are largely attributable to situations in which the Swedish Social Insurance Agency has not fully assumed its responsibility for coordination. The reasons for this vary.

ISF therefore recommends that the Swedish Social Insurance Agency to, through an individual assessment in the initial stage of a case concerning disability pension, make a plan covering:

- what the goal for the period of disability pension is
- what interim goals are suitable
- what activities could be assumed to increase either a young adult's work or study capacity, or what preparatory activities could be expected to lead to vocational rehabilitation, work-related activities or studies
- how an initial, motivational initiative should be formulated. The letter sent to the young adult in connection with the decision to grant them disability pension should, for example, have the initial individual planning in mind
- how the results of each activity will be followed up.

This provides a starting point for the efforts to motivate the young adult to voluntarily participate in activities.

The Swedish Social Insurance Agency should also

- increase knowledge of which types of activities lead to an increased work-capacity
- continue to monitor the quality in the processing of disability pension and of sickness compensation.