

The route to work after refused sickness benefit

Summary and recommendations

The number of refused applications for sickness benefit has increased substantially since 2014. The Swedish National Audit Office has audited whether the process for return to work in cases of refused sickness benefit works effectively. The audit was conducted in light of sickness insurance requirements for job transition and the increase in the number of people in need of transition, due to more refusal decisions on sickness benefit applications. The Swedish NAO has audited whether large central government employers prepare plans for return to work, and whether the Swedish Social Insurance Agency has knowledge of employers' measures. We also audited the Swedish Social Insurance Agency's information to people on sick leave in connection with refusal decisions. Finally, we audited the transfer from the Swedish Social Insurance Agency to the Swedish Public Employment Service in cases of job transition. The audit is based on sickness benefit case files from the Social Insurance Agency and case files from the insured person's employer and the Public Employment Service. The following results are taken from the case file review.

Audit findings

Nearly one-half of those refused sickness benefit are back in normal work and working hours 6 to 12 months after the refusal decision. Three quarters of the refusal decisions are made on applications for part-time sick leave. Many who are refused sickness benefit continue to work to the same extent as at the time of the refusal decision. Many also return to a new period of sick leave within 9–15 months.

Every third sickness benefit case lacks a return-to-work plan

The audited state employers (Swedish Public Employment Service, Swedish Social Insurance Agency, the Swedish Police Authority, the Swedish Prison and Probation Service and the Swedish Tax Agency) do not comply with the legal requirement to draw up a plan for return to work in all cases of sick leave. There are major differences between employers, but on average there is no return-to-work plan or other documentation in every third case. When no full plan is

prepared, the employer should document a position that justifies the deviation. Such documentation rarely exists.

The Social Insurance Agency lacks information about employers' measures in every fourth case

The audit also shows that the Social Insurance Agency lacks information about employers' measures in approximately one quarter of the cases examined. There are cases where those who are refused sickness benefit return to work without the Social Insurance Agency having information about possible measures at the workplace. The Swedish NAO considers that the Social Insurance Agency should inform itself about employers' measures in all cases examined, especially when they are closed with a refusal of sickness benefit.

Shortcomings in offers of job transition meetings and temporary decisions

The audit shows that the Social Insurance Agency informs those insured of the requirement to register as an active jobseeker at the Public Employment Service in order to ensure financial security if they cannot return to normal work. But those insured do not always take in the information. The Social Insurance Agency also always informs the person insured of doubts concerning granting sickness benefit, but not always in such good time that unjustified expenses – in the form of interim decisions – can be minimised.

Not everyone who should be offered a job transition meeting in the event of a refusal decision is offered such a meeting. In cases where a job transition meeting is offered, it is often unclear to the person insured that the Social Insurance Agency will participate in the meeting.

Transfer to the Public Employment Service does not work effectively

Only 29 per cent of those who register with the Public Employment Service after being refused sickness benefit have had a job transition meeting (omställningsmöte). At the same time, the audit shows that the value of the job transition meeting to the person insured, as it is designed, is unclear. The meeting is no guarantee that important information reaches the person insured. The Swedish NAO therefore considers that the Social Insurance Agency and the Public Employment Service should review the form of meeting in connection with refused sickness benefit.

Some of the individuals registered with the Public Employment Service are categorised as "jobseekers presently prevented from taking a job". Jobseekers in this category do not receive any job transition help and nor is their sickness benefit qualifying income (SGI) protected. The audit shows that the Public

Employment Service does not inform everyone who is registered as presently prevented from taking a job about the consequences for financial security.

One third of those who are registered also have a disability code. Such a code is used when the Public Employment Service assesses that the person's capacity to work is reduced. The code increases the possibilities of support and measures. It is good that jobseekers are given the chance of the support they need. However, the agencies' different assessments of work capacity pose a communicative challenge in contacts with the person insured. Ultimately, the different assessments of work capacity may harm citizens' confidence in the social security system.

Recommendations

Based on the audit findings, the Swedish NAO directs recommendations to the Swedish Social Insurance Agency and the Swedish Public Employment Service. The recommendations and their background can be found in the final chapter of the report.

The Swedish NAO recommends that the Swedish Social Insurance Agency:

- ensures that the Agency has information about the employer's measures well in advance of day 180 of the rehabilitation chain (rehabiliteringskedjan) – for example by requesting a return-to-work plan
- informs the person insured in good time about an upcoming refusal decision on an application for sickness benefit.

The Swedish NAO makes the following recommendations to the Swedish Social Insurance Agency and the Swedish Public Employment Service:

- review the form of meeting in connection with refused sickness benefit to ensure that those who are refused sickness benefit and register with the Public Employment Service understand the consequences of registering as a jobseeker presently prevented from taking a job.