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EXECUTIVE SUMMARY

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Does vocational rehabilitation within the earnings-related pension scheme work?

This publication is the final report of a research project into the functionality of vocational rehabilitation within the earnings-related pension scheme. The report examines the operation of the rehabilitation system following the rehabilitation reform of 2004, compares the situations before and after the reform, and evaluates the outcome of the system.

The target group of the research consisted of persons who had received a vocational rehabilitation decision either before the reform (1 January – 30 June 2003) or after the reform (1 October 2004 – 30 June 2005). From the earlier dates a sample of 300 were derived, from the latter a sample of 1,680. The data covers recipients of both positive and negative rehabilitation decisions as well as both those still working and those in disability at the time of application. These groups are referred to as those coming from the workforce and those coming from disability retirement. Data was gathered using three different sources: rehabilitation application documents, the register data of the Finnish Centre for Pensions and a mail survey. The response rate of the survey was 67 per cent. In order to decrease the effects of non-response, weight coefficients and imputation of missing data were used in all statistical analyses of the survey data. Register data provided the opportunity to examine rehabilitation and its results in light of a long follow-up period extending to the end of 2009.

In the article *Did anything change?* the situation before and after the rehabilitation reform of 2004 are compared. The aim of the reform was, among other things, to make rehabilitation interventions start earlier. The results showed that a change had occurred in the shifting emphasis from those already retired to those still at work, which can be interpreted as a sign

of earlier intervention. Regarding rehabilitees coming from the workforce, however, there were no signs of rehabilitation starting earlier. The time during which the disease had affected work detrimentally was as long for those entering rehabilitation after the reform as it had been before, and the duration of diseases had even increased. There was not much change occurring in rehabilitation between the two reviewed periods. This was, for instance, evident from the fact that the share of persons retiring on a disability pension after rehabilitation was equally large at both times: almost a third retired on a disability pension within five years of having received the rehabilitation decision.

The article *Approval or rejection?* reviews the eligibility criteria for vocational rehabilitation and the situation of those whose application was rejected. According to results, rejections are more common for younger than older applicants, and among women than among men. The share of rejections was also larger for persons with unemployment periods than for those with a more stable working career. Those whose application was rejected called for more specific and individually based justifications for the negative decision. They would also have liked to receive more concrete guidelines and suggestions on how to best continue at work. For many whose application was rejected, remaining at work would prove difficult: every fourth person who received a negative decision was unemployed within a year of the rejection. Evaluating the criteria of the risk for work disability appeared to be quite accurate, based on the later frequency of disability retirement among those receiving a negative decision. Roughly a tenth of all rejected applicants for whom the threat of disability was not considered likely retired on a disability pension within five years' time. The applicant's assessment of his or her work ability at the time of application was a good indicator of later disability retirement.

The article *At the right time?* asks whether rehabilitation was begun at the right time, too late or too early. According to results, almost two thirds of rehabilitees arriving from the work force reported that rehabilitation had begun too late. Approximately a third considered the timing of rehabilitation to be suitable and a small group, approximately six per cent, estimated that rehabilitation had begun too early. Reasons for starting too late, as listed by the rehabilitees, included underestimation of problems caused by the disease and poor work ability by health care professionals, the inflexibility of various systems, problems with co-operation and lack of information on rehabilitation opportunities. Some also felt that they had tried to stick it out in their previous jobs for too long. Younger applicants and those with higher education more often deemed that their rehabilitation had begun at the right time. On the other hand, persons with multiple illnesses – in particular those with both mental health problems and diseases of the musculoskeletal system – were more prone than others to estimate their rehabilitation as having begun too late. The timing of rehabilitation had significance for the functioning and outcome of the rehabilitation process. A correctly timed start to rehabilitation was a good predictor of immediate return to work after rehabilitation. In the long term, a correctly timed rehabilitation predicted a smaller likelihood of disability retirement than a rehabilitation that started too late or too early.

The article *How is the rehabilitation process progressing?* clarifies the experiences of rehabilitees arriving from the work force or from disability retirement regarding the planning and implementation of the rehabilitation process. The article also utilizes the qualitative data collected in the survey. Rehabilitees arriving from retirement were older compared to those coming from the work force, but also better educated; they evaluated their work ability as worse, and mental health problems were more often the reason for their reduced work ability. Four out of five rehabilitees arriving from the work force had themselves participated to a significant degree in the drawing up of their rehabilitation plan, according to their own estimation. Approximately two out of five reported that occupational healthcare had participated to a significant degree in planning, and one in five reported the same regarding the earnings-related pension provider. On the other hand, the role of the workplace and the supervisor in the rehabilitation planning remained small. Rehabilitees arriving from the work force evaluated the progress of the rehabilitation process as good more often than rehabilitees arriving from retirement. The good progress of rehabilitation was connected to, for example, good subjective work ability, stronger orientation for returning to work, the correctly timed start of rehabilitation, the participation of the rehabilitee in drawing up the plan, support from occupational healthcare and the earnings-related pension provider, and to training being included in the rehabilitation measures. Approximately two thirds of rehabilitees arriving from the workforce, and roughly half of those arriving from retirement, estimated to be able to continue at work for at least four years following rehabilitation.

The article *What motivates towards vocational rehabilitation?* looks at the motivation of the rehabilitees and their eagerness to participate in rehabilitation. According to results, for example young age, a higher level of education, and strong self-efficacy were connected to stronger motivation for rehabilitation. The rehabilitation motivation was especially strong if the rehabilitation plan corresponded to the rehabilitee's own wishes, and if the rehabilitee assessed his or her own influence on the rehabilitation process as good. Insecurity factors of employment and the workplace as reasons for the rehabilitation need were, on their part, connected to weak rehabilitation motivation. There was a clear connection between the aim of the rehabilitee to return to work and the motivation for rehabilitation. However, all those considering return to work as an important goal were not motivated for rehabilitation, and on the other hand, some of those who considered retirement their goal reported to be very motivated for rehabilitation. In order to arouse and maintain rehabilitation motivation, it is important that the implementation of rehabilitation corresponds to the needs, resources and aims of the rehabilitee.

The article *Does rehabilitation have an impact retention?* evaluates how rehabilitation affects the later employment of the rehabilitees. At a more general level, the article also ponders under what preconditions the employment effects of rehabilitation can be studied using non-experimental data. The review utilizes alternative models and alternative internal comparison groups, such as rejected applicants and/or those who have dropped out of rehabilitation. The review is limited to rehabilitation programmes ended by the end of 2005, in other words rehabilitation programmes that have lasted at most a year. According to results, participation in

vocational rehabilitation did to some degree raise the likelihood of continuing in employment, as seen in the short-term follow-up. Another precondition for the successful outcome of the rehabilitation was its completion. In the longer follow-up period, differences in employment rates between rehabilitees and groups of comparison – rejected applicants or dropouts – decreased.

The article *What about after rehabilitation?* looks at factors predicting good progress in rehabilitation, as well as the employment situation of rehabilitees immediately after rehabilitation and in the long term. According to the review, only roughly two thirds of those receiving a positive rehabilitation decision actually completed the rehabilitation. For others, rehabilitation was interrupted or did not begin at all. Fifty per cent of all those receiving approval for rehabilitation were working within five years of having received the decision. The share of the employed was the largest for persons from the work force who completed the rehabilitation (62 per cent), and smallest for those entering rehabilitation from disability retirement and whose rehabilitation was interrupted or expired (23 per cent). Among other things, a good subjective work ability, a strong self-efficacy, and lack of orientation towards retirement predicted a successfully completed rehabilitation and employment following rehabilitation. On the other hand, if the rehabilitee had had periods of unemployment prior to the rehabilitation decision, the risk of rehabilitation interruption or expiration grew and the likelihood of returning to work decreased. A background of unemployment was a predictor of lower employment for as long as five years following the end of the rehabilitation decision. A well-functioning rehabilitation process also promoted a good rehabilitation outcome. Timely start of rehabilitation, correspondence between rehabilitation measures granted and the rehabilitee's own wishes, the possibilities of the rehabilitee to affect the process at different stages, and smooth progress of rehabilitation overall all served as predictors of continued work following rehabilitation.

The chapter of conclusions answers the question of the book's headline in the affirmative: vocational rehabilitation within the earnings-related pension scheme works, but at the same time many challenges and development needs are highlighted. Based on the results, it is argued that more support, guidance, follow-up and client-centred practices are needed at the different stages of the rehabilitation process. Support is needed, both in applying for rehabilitation and in entering employment following rehabilitation. Especially rehabilitees with previous unemployment spells or mental health problems, as well as rejected applicants, were in need of support and follow-up.

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