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FINNISH CENTRE FOR PENSIONS, REPORTS

SUMMARY

Jyri Liukko

Decision practices for vocational rehabilitation under the earnings-related pension scheme and the effectiveness and impact of vocational rehabilitation

A review based on expert interviews and the literature

This report was undertaken in response to a social partner agreement in June 2019 commissioning the Finnish Centre for Pensions to investigate the correspondence of current decision practices for vocational rehabilitation with earnings-related pension legislation; the efficiency and effectiveness of vocational rehabilitation processes; and the impact of vocational rehabilitation.

The report offers a detailed examination of legislation concerning vocational rehabilitation under the earnings-related pension scheme, the rationale for the law and the guidelines for implementation of the law. In addition, the report provides an overview of Finnish research into the impact of vocational rehabilitation and the efficiency and effectiveness of vocational rehabilitation processes. Expert interviews are used to analyse decision practices for vocational rehabilitation under the earnings-related pension scheme in relation to legislation and the guidelines for implementation of the law, the relevance and impact of the means of vocational

rehabilitation, and to some extent the efficiency and effectiveness of vocational rehabilitation processes. Interviews were conducted with pension providers' medical advisers and rehabilitation specialists and with Pension Appeal Board experts.

Decision practices for vocational rehabilitation under the earnings-related pension scheme

A recurring emphasis in the expert interviews was the inherent complexity of the holistic and integrated review process conducted as part of the decision practices for vocational rehabilitation. Firstly, the task of establishing the likelihood of the threat of disability as an eligibility criterion to receive vocational rehabilitation, was not considered unambiguous. The law says that the threat of disability should be probable, but sometimes a threat that is defined as possible seems to suffice for eligibility. The interviews suggest that the interpretation of what constitutes a threat of disability may have become somewhat more lenient over the years with the growing use of vocational rehabilitation services and the greater emphasis on early rehabilitation and the need to extend working lives.

Secondly, the assessment of the threat of disability includes holistic and integrated consideration of reasonableness and expediency. According to current legislation the assessment of the threat of disability must at least take account of the likelihood of partial disability pension or partial rehabilitation allowance in the immediate future and the employee's remaining capacity to earn an income through such available employment as can be reasonably expected of them. Based on the interviews the threat of disability is often assessed on an occupational basis, in relation to one's own established job. This also seems to apply to younger people when they have an established occupation and their existing qualifications do not lend themselves to moving to work in another sector. Thirdly, the interviewees indicated that estimating the savings achieved in pension expenditure, an integral part of assessing the expediency of vocational rehabilitation, was neither easy nor a very systematic process.

Impact of vocational rehabilitation

There is only limited research into the impact of vocational rehabilitation, but despite the challenges involved there have been some attempts in recent years to tackle this question. The indications are that rehabilitation does have at least some effect on continued employment, but there is no evidence of very far-reaching effects. It seems that the impact of short-term rehabilitation, i.e. mainly workplace rehabilitation on labour participation fades over the long term. The impact of longer rehabilitation periods, then, only becomes apparent after some delay. The latter usually include retraining. Short-term work trials are the most common means of vocational rehabilitation, but the experts interviewed expressed some reservations about their effectiveness, especially if job redesign and further measures after the rehabilitation period are not given sufficient attention. Based on the interviews longer-term measures such as job coaching and training are increasingly seen as viable options from the point of view of longer-lasting employment effects.

Efficiency and effectiveness of vocational rehabilitation processes

Research indicates that the appropriate timing of rehabilitation, the rehabilitee's motivation, good cooperation between the parties involved in rehabilitation and the influence that the rehabilitee has over the rehabilitation process all contribute to better rehabilitation outcomes. The interviews conducted for this report also drew attention to the importance of appropriate rehabilitation timing. However, the interviewees also pointed out that getting the timing right is not always simple and straightforward: often the interventions start too late, but sometimes they can also be too early.

According to several studies both professionals and rehabilitees stress the importance of customer-oriented individual supervision and monitoring throughout the rehabilitation process, from planning to the post-rehabilitation period. However, the research evidence shows that both the workplace and health care and pension providers could do more to improve the support they offer in this regard. Another recurring theme in the research is that effective rehabilitation seems to depend crucially on seamless cooperation and communication between professionals and the various organisations involved. Based on earlier studies and the interviews conducted for this report, however, there are several areas of development in this regard, including the allocation of responsibilities and the exchange of information between different organisations.

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Finnish Centre for Pensions
ELÄKETURVAKESKUS

Finnish Centre for Pensions
FI-00065 Eläketurvakeskus
Finland
Phone +358 29 41120
Fax +358 9 148 1172

Eläketurvakeskus
00065 ELÄKETURVAKESKUS
Puhelin 029 41120
Faksi 09 148 1172

Pensionsskyddscentralen
00065 PENSIONSSKYDDSCENTRALEN
Telefon 029 41120
Fax 09 148 1172

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