

Modernising and activating measures relating to work incapacity

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In France, the financial cost of disabilities affecting adults of working age is covered through several benefits, whether connected with working life (invalidity pensions, pensions for employment injuries and occupational diseases) or not (allowance for disabled adults). On the other hand, the support measures for integration or reintegration into employment intended for individuals and employers are aimed at all these categories of people with disabilities.

I. Contextual information

This section gives details of the two most important categories of benefits with regard to the theme covered, the *invalidity pension* which is provided by social security legislation and *the allowance for disabled adults (AAH)*, which falls under the legislation for social assistance and action. About 0.6 million people are in receipt of an invalidity pension, and almost 850,000 people receive the allowance for disabled adults.

Invalidity pension: It is intended to provide a replacement income for workers whose capacity for work has been reduced by at least 66%. It is granted by the sickness insurance fund after the degree of invalidity has been assessed by the medical officer of the social security fund depending on the residual working or earning capacity. There are three categories of pension depending whether the incapacitated person is able to engage in gainful employment (1st), incapable of engaging in any profession (2nd) and/or is reliant on help from another person to accomplish everyday tasks (3rd).

The pension is calculated depending on the category, based on the person's previous salary. The monthly pension varies between EUR 262.17 and EUR 857.70 for a pension in the 1st category, and EUR 1,429.50 for the other two categories of pension. An increase of EUR 1,029.10 to call on the services of another person is added to the pension for the 3rd category.

Allowance for adults with disabilities (AAH): It is intended to provide a minimum income for persons suffering from permanent incapacity of at least 80% or, under certain conditions, between 50 and 80%. Permanent incapacity is assessed by the *Commission of rights and autonomy of people with disabilities (CDAPH)* and the allowance is paid by the *family allowance funds*. The *AAH* is a supplementary, non-contributory social minimum income, means-tested and financed from the State budget.

The amount of the *AAH* is EUR 652.60 per month where the beneficiary has no other means. For people with the most serious disabilities (incapacity of more than 80%), there are two supplements available, but they cannot be combined: firstly the *supplement for an autonomous*

life for mitigating the cost of an independent home (EUR 104.77 per month) and secondly, the *complementary resources* (EUR 179.31 per month) to enable people with disabilities to live as independently as possible when they are deprived of income earned from employment for a prolonged period. The combination of the latter supplement and the AAH enable the beneficiary to reach the amount of the *guaranteed income for people with disabilities* (EUR 831.91).

These two categories of benefit cannot be combined. The *invalidity pension* granted by priority may be supplemented on a means-tested basis by a *supplementary allowance from the special invalidity fund (ASI)*, financed by the State budget so that the amount of pension rises to that of the AAH.

II. How to control costs of incapacity benefits

First of all, both the *invalidity pension* and the *allowance for disabled adults* are granted temporarily, and may be revised under quite strict assessment and review conditions.

The fact that the invalidity pension is assessed by the medical officer of social security fund is also a guarantee of control: the pension replaces sickness cash benefits as the state after the patient is consolidated (after at least 12 months and most 3 years). During this period, the same medical service of social security has examined the patient several times.

As regards the AAH, it is granted by a Commission which assesses the incapacity rate according to an official table.

That's the reason why in France, the number of beneficiaries of *invalidity pensions* and *AAH* remains at a level of slightly over 5 % of the workforce and is below the average for the OECD countries. So the recipients of invalidity pensions are on average rather old (the average age for first receiving an invalidity pension is 52 years) and they are suffering from serious illnesses: paraplegia, diseases of the musculoskeletal system, tumours, chronic psychiatric illnesses, etc. As for the *AAH*, the allowance is always granted in the event of multiple disabilities or a vegetative state, and very often to people with cognitive impairments. Next come people whose main impairment is of the psyche (a quarter of recipients). Almost one person in two is over 45 years of age when they apply for the first time for the *AAH*.

III. Support measures for jobseekers with a disability benefit

Whatever the category of financial compensation for their disability, people have access to a range of general and specialised support mechanisms.

The social security legislation, particularly via sickness insurance, pays for the various technical aids and equipment. In addition, since 2002, various aids have been provided in the context of a special provision of the legislation on social action, the *Disability Compensation Allowance (PCH)*. This is a personalised benefit in kind, intended to compensate the loss of autonomy in the life plans of the person with disabilities. It enables funding of human and technical assistance, grants for adapting the home and vehicle or any surplus transport costs, specific and exceptional aids as well as assistance animals.

As far as integration or reintegration into employment is concerned, several systems are used to encourage recruitment of people with disabilities and to help them keep their job, as well as job creation for workers with disabilities.

First of all, the capacity of *worker with disabilities (RQTH)* is recognised by the *Commission of rights and autonomy of people with disabilities (CDAPH)* in respect of people whose prospects of getting or keeping a job are genuinely reduced following the alteration of one or more physical, sensorial, mental or psycho-emotional functions. The recognition of this capacity enables people (with disabilities or with invalidity) to have access to specific supporting measures to get a job, and additional protection with regard to employment legislation.

Workers with disabilities who are jobseekers are supported in their search by the general employment service (*Pôle Emploi*) and by the *Cap Emploi*, a specialist placement network for workers with disabilities.

Specific support measures are financed by the State (assisted contracts, alternating training contracts, learning grants or vocational retraining grants) and by the *National Association for Management of the Fund for Vocational Integration of Disabled People*. This association, AGEFIPH, provides a range of support to workers with disabilities and companies aimed at improving and facilitating recruitment, job creation, job retention, disability compensation and training: aids to improve the arrangement and accessibility of the workplace, for mobility, learning, technical and human assistance, skills reviews, contracts to increase professionalism, job creation grants, etc.

These various aids are supplemented by provisions to enhance access to vocational training. In this capacity, the players (local authorities, the State, AGEFIPH) make available their training offer, as part of a concerted regional policy to offer services suited to the needs of individuals and businesses. Finally, there are also aids intended to encourage employers to keep a disabled person in a job via company medical officers and the *Support Services to Maintain into Employment (SAMETH)*.

IV. Financial incentives for recipients of disability benefits to take up work

It is possible to combine invalidity or disability benefits and a job for people who wish it, and are able to do so: about 20 % of recipients of invalidity pensions and beneficiaries of the AAH have a job (8 % in normal employment and 12 % in sheltered employment). The conditions for combining benefits and earned income are as follows: the *invalidity pension* is suspended or partly reduced when the salary combined with the pension exceeds the amount of salary prior to invalidity. The *AAH* includes a mechanism enabling part of the allowance to be kept, up to 110% of the minimum wage. A new reform, announced for 2010, should facilitate working for recipients of the *AAH*.

Until 2010, the pension of invalidity was stopped automatically when the recipient was 60 years old. Since 2010, the maximum age to receive the pension of invalidity is 65 years, in order to support the elderly workers with invalidity.

V. Incentives for employers to recruit or retain people with disabilities in employment

Besides the common law and specific aids mentioned in section 2, the employment legislation imposes an *Employment Obligation* on employers: since 1987, each company with more than 20 employees is bound to employ persons recognised as "workers with disabilities" as 6% of the workforce. The company fulfils its obligation either by recruiting these workers or by entering into subcontracts with sheltered workshops or sheltered companies, by providing people with disabilities with vocational training, signing an agreement on the professional integration of people with disabilities, or failing that, by paying a contribution to the *National Association for Management of the Fund for Vocational Integration of Disabled People (AGEFIPH)*. A similar arrangement exists in the public sector since 2005.

An employer who recruits or keeps a worker with serious disabilities in a job under its *Employment Obligation* may receive a grant compensating any reduced efficiency of the person in the job done, financed by the *AGEFIPH* (amount of 450 to 900 times the minimum hourly salary).

Moreover, the State supports the network of sheltered companies and centres of distribution of home work, companies in the ordinary employment market which enable about 25,000 workers with disabilities whose mobility is reduced to engage in paid employment in conditions adapted to their possibilities. The objective of these companies and centres is to facilitate the employee's career, with a view to enhancing that career, promotion and increasing mobility within the organisation itself or in other companies. These companies and centres must be financially independent. They receive financial support from the State (aid per job and specific subsidy) and relief on social security contributions and, subject to certain conditions, common law and specific aids mentioned in section 2.