



Defining the Variables and Steps to Calculate the Economic Benefits of Return to Work Programs

Abstract of Commissioned Paper by NIDMAR



A paper commissioned by the IBM Cúram Research Institute. Authored by the National Institute of Disability Management and Research



Foreword



Martin Duggan, Director, Strategy and Market Development

Work-related disability has a negative effect on both employees and employers. For the workers and their families, these events cause pain, suffering, anxiety and financial loss. For employers, these disabilities increase business costs through disability insurance premiums, workers' compensation premiums (frequently based on a company's safety record) and worker replacement costs.

Disability management and appropriate return to work programs make sense from every perspective, and these initiatives are growing in frequency as both employers and employees recognize the benefits.

This paper provides an overview of the study that is available on the IBM Cúram Research Institute [website](#). The research was undertaken in conjunction with the [ISSA](#), [DGUV](#), [IBM Cúram Research Institute](#) and [NIDMAR](#) and explores the substantial economic, social and societal benefits for workers, employers and society on the basis of continuous employment of the disabled individual. The main body of research was conducted by [The National Institute of Disability Management and Research \(NIDMAR\)](#) and was commissioned by the [IBM Cúram Research Institute](#) as part of IBM Cúram's Thought Leadership Series.

The [IBM Cúram Research Institute](#) is IBM's health and social policy research arm. Its mission is to foster the development of innovative service delivery models to raise the social and economic potential for people and society. The Institute is committed to undertaking and commissioning research with a focus on the cross-over from policy to service delivery.

In order to analyze contemporary health and social policy issues and foster the development of innovative new ideas and solutions, the IBM Cúram Research Institute launched its Thought Leadership Series which involves running [Roundtable events](#), commissioning research papers and holding workshops and interview sessions with health and social organizations in order to learn and share industry best practices, with the hope of improving outcomes for all.

[The National Institute of Disability Management and Research \(NIDMAR\)](#), founded in 1994, is an internationally recognized organization committed to reducing the human, social and economic costs of disability. As an education, training and research organization, NIDMAR's primary focus is the implementation of workplace-based reintegration programs which international research has proven is the most effective way of restoring and maintaining workers' abilities, while reducing the costs of disability for workers, employers, government and insurance carriers. The National Institute's success is the result of collaborative initiatives undertaken by leaders in labour, business, government, education, insurance and rehabilitation.

I encourage people who work in the area of disability management to read this report to better understand the economic and social costs related to disability management.

Martin Duggan
Director, Strategy and Market Development



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This study sets out to develop a simple and effective financial calculator to allow individuals, employers and Social Security organizations to assess the direct fiscal consequences of disability-related employment loss. It is also designed to support the global roll-out of the recently released [ISSA guidelines on Return- to-Work](#). The calculator will facilitate the estimation of both short and immediate term costs and, over time, will produce an aggregate and defensible Return-on-Investment factor for Job Retention efforts following onset of a disabling condition.

Global evidence indicates that, once a physical or mentally impaired individual has lost all employer related links and become a Social Security System beneficiary, not only is the probability of ever leaving the benefits system to employment extremely low but also a significant reduction in financial support frequently drives the complete marginalization of the worker in all aspects of society.

This outcome is not inevitable and is the result of a process in which individual workers, who acquire a physical or mental impairment while employed, are all too often not accommodated by their employers. As a consequence they lose their employment status and are assigned eligibility for some form of Social Security payments. The type of Social Security support they may receive varies wildly around the world and is always contingent on the statutory structure of their respective jurisdiction. Under many circumstances, this results in occupational injuries and illnesses being covered through Workers Compensation systems, while all non-work impairments are covered through a host of different schemes.

What is consistent where the continued, productive employment of workers is lost, is that, regardless of the system or circumstance, the financial, social and often personal costs are significant – always for the Worker – and, depending on the jurisdiction, for employers and/or Social Security systems. It therefore stands to reason that maintaining the continued employment relationship for a worker, who has acquired a disabling impairment and consequently is at risk of losing his/her employer attachment, can yield substantial economic, social and societal benefits for Workers, Employers and Society.

This research study, a joint effort between [ISSA](#), [DGUV](#), [IBM Cúram Research Institute](#) and [NIDMAR](#), is designed to document and verify not only the financial impact of disability-related employment loss but also to define the potential benefits derived – for all parties – from effective interventions designed to maintain continuity of the employment relationship for affected workers.

For more information, contact: [Héctor Upegui](#)