

Wage subsidies for people with disabilities

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Overview of the presentation

- Dimensions of wage subsidies
- Facts and figures
- Evaluation studies
- Tailor-made design
- Alternatives to wage subsidies

- Generic versus specific
- Target population
- Calculation of the subsidy
- Subsidy duration
- Eligible employers
- Technicalities
- Combination with other schemes



- 1963 **Scheme 1** (Article 85 of the Royal Decree of 5 July 1963)
- 1977 **CAO nr. 26** Collectieve arbeidsovereenkomst (collective labour agreement)
- 1998 **VIP** *Vlaamse Inschakelingspremie (Flemish occupational integration subsidy)*
- 2008 **VOP-I** *Vlaamse Ondersteuningspremie (Flemish support subsidy)*
- 2010 **VOP- II**

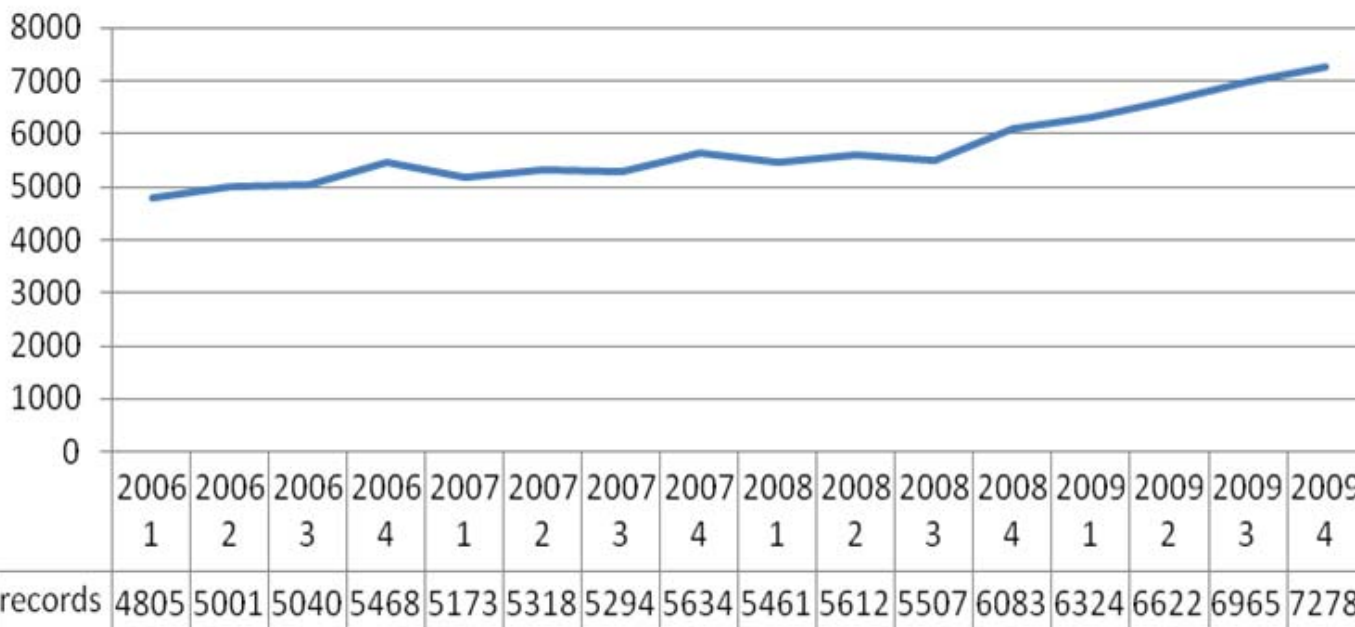
Dimensions of wage subsidy schemes for the disabled in Flanders (1963-2010)

	Scheme 1	CAO-26	VIP	VOP-I	VOP-II
Initial year of application	1963	1977	1998	2008	2010
Last year of application	1995	2008	2008	2010	-
<i>Target population</i>					
Unemployed	X	X	X	X	X
People at Work		X		X	X
<i>Calculation of the subsidy</i>					
Variable % of wage cost (no ceiling)		X			
Variabele % of wage cost (ceiling)				X	X
Fixed % of minimum wage			X		
Variable % of minimum wage	X				
<i>Duration</i>					
Limited (not renewable)	X				
Limited (renewable)		X			X
Unlimited			X	X	
<i>Eligible employers</i>					
Private (profit and non-profit)	X	X	X	X	X
Public (local authorities – education)				X	X
Self-employed				X	X

- 1967 : 240 (Belgium)
- 1980 : 700 (Belgium)
- 1990 : 2000 (Flanders)
- 2000 : 3700 (Flanders)
- 2009 : 7300 (Flanders)



VIP/CAO-26 - records (until 2008-3) and VOP



Characteristics of disabled employees with a wage subsidy (1)

	VOP- 2009 (first quarter)	LFS-2008
Women	33%	45%
Older workers (50+)	18%	22%
Low level of education (lower secondary and below)	65%	20%



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Characteristics of disabled employees with a wage subsidy (2)

Single disability	86%
Physical disability	30%
Mental or learning disability	16%
Hearing and seeing- impaired	13%
Chronical illness	9%
Communication disability	<5%
Psychological disability	<5%
Multiple Disability	14%

- **First study 1985**
 - - Nearly 1/3 of employers declared that there was no loss of productivity or no longer but, in spite of annual review, they kept receiving the subsidy
 - - Also 1/3 of employers declared that the disabled employee would not have been hired or kept in employment, without the wage subsidy
- **Second study 2005**
 - - 2 out of 5 employers with a CAO-26 and 3 out of 5 with a VIP were pleased to receive a subsidy but admitted that there was no real need for it.
 - - Nearly half of the employers said that, without the subsidy, the disabled person would not have been hired or kept in employment.
 - - 50 % of employees thought that the subsidy contributed to their job-security.
- **Third study 2010**
 - only 1/4 of the disabled people can identify how the wage subsidies are used to support their employment.
- **Conclusion : Tailor- made schemes**

- Other components of a support package
- Combination of disability benefits and income from work
- Personal budgets