

The impacts of introducing the waiting period in 2008 for sick leave.

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Summary

- The government of the Czech Republic has approved a plan to cancel the so-called waiting period – the policy of not paying any sick pay during the first three days of sick leave from work.
- This study summarises the most important findings of Filip Pertold’s research paper about the short term impacts of the sick pay reform that introduced the waiting period, i.e. reduced the amount of sick pay for the first three days of sick leave taken in 2008 to zero.
- Cancelling sick pay for the first three days of illness resulted in an immediate and substantial reduction in employees’ absence from the workplace by 15% of the level of absence prior to the sick pay reform. Time spent on sick leave decreased by 2.3 days on average per employee per quarter. In the longer term the economic crisis, which significantly affected the Czech labour market, also contributed to this decrease.
- The reduction in the average time spent on sick leave is primarily a result of a reduction in the number of sick employees.
- We cannot rule out the possibility that, as a result of the reform, the number of workers who continued to work despite being unwell increased. The data used for this analysis did not enable us to test this hypothesis.
- The study also looks at the differences in the reform’s impact on different branches or types of job. The greatest drop in sickness was observed in manufacturing, the hotel industry and hospitality. The smallest change was seen in services, for example in the financial sector.
- The drop in sick leave taken after the reform by employees in flexible jobs with a lower share of routine tasks was substantially lower than that among employees whose work was routine and inflexible.