Cornell University
ILR School
Employment and Disability Institute

What Works and Looking Ahead:

A comparative Study of UK and US Policies and Practices Facilitating Return to Work for People with Disabilities

Prepared for

US/UK Pathways to Work in the 21st Century: Seminar and Workshop

1-2 May, 2003
Washington, DC

Funded by:

Rockefeller Foundation
New York, New York
and
Department for Work and Pensions, UK

Prepared by:

Patricia Thornton
University of York

Ilene Zietzer
Disability Policy Solutions

Susanne M. Bruyère
Thomas Golden
Andrew Houtenville
Cornell University

Contents

I Context 1
Demographic, Employment and Disability Benefits Data 1
II Common Policies and their Effects 2
1. Incentives to Leave Benefits for Employment 2
Easy return to benefit 2
Retaining benefits for trial work periods 2
Supplementing earnings 2
Increasing awareness and take-up of incentives and benefits planning 3
2. Individualized Employment Services 3
Early intervention 3
Increasing the employment expertise of benefits advisers 4
Employment networks 4
Community-based rehabilitation providers 4
3. Adjusting Work and Workplace 5
4. Making Disability Discrimination Unlawful 5
5. Financial Incentives to Employers 6
III Potential Lessons 6
1. What the US can Learn from the UK and Why 7
Access to Work Program 7
Tax credits 7
2. What the UK can Learn from the US and Why 8
The Government as a model 8
Nothing about us without us 8
IV Building the Evidence Base 9
V Main Issues for Policy Development 10
New strategies for early identification and intervention 10
More creative, less complicated use of the tax system 10
Employer-related policy directions 11
The policy mix 11

I Context

Independent research organizations in the US and the UK were commissioned to review the research on 'what works' in facilitating return to work for people with disabilities, and to consider current developments in the light of the evidence. They produced two background papers for the UK/US Pathways to Work in the 21st Century Seminar.[1] This paper aims to summarize the key points of interest in those US and UK papers. The view expressed here are those of the authors.

Demographic, Employment and Disability Benefits Data

Caution is needed in making comparisons where employment of disabled people and disability benefits are concerned. In both countries there are several surveys that can be used to indicate the proportion of the population who might be disabled. The surveys have different designs and ask different questions about disability. In the UK, the estimate of the percentage of working age people reporting a condition limiting the amount or type of work they can do is 16 percent for men and 15 percent for women. In the US, three survey estimates of the percentage of people reporting a similarly phrased work-limiting condition range from 8 to 11 percent for both men and women in 1996. It is difficult to compare the prevalence of disability in the two countries because of differences in survey designs. Even slight differences in the phrasing of disability related questions can lead to large differences in the reporting of disability. However, when using broader definitions the estimates are closer. In the US, an impairment-based definition[2] suggests that 22 percent of working-age men and 18 percent of working-age women reported impairment function in 1996. In the UK in 2001, 19 per cent of working age men and women reported a health problem or disability, expected to last for more than a year and substantially limiting normal day-today activities.

In both countries, there are considerable disparities between the economic outcomes of people with and without disabilities. Such disparities are commonly found in the empirical literature, regardless of the year, data source, and definitions of disability and employment. In the US, the overall employment rate of persons with work limiting disabilities in 1999 was 33 percent, as compared to 86 percent for people without disabilities. In the UK, the most comparable estimate is 39 percent among people with work limiting disability compared with 81 percent among non-disabled people in 2000-01. Employment rates amongst people with disabilities are falling in the US and relatively stable in the UK.

Disability benefits caseloads in both countries have risen substantially in the last two decades. They tripled in the UK from the late 1970s to 1995. In the US they increased by almost 2.5 times for women and by greater than half for men from 1980 to 2001. Growth has slowed in the UK following 1995 reforms. In the US growth in the insurance program (DI) rolls has continued on a steady upward climb owing to the fact that once on benefits, few ever leave. However, new awards have dipped several times in the early 1980's and again in the late 1990's, but total

[1] S.M. Bruyère, T.P. Golden and I. Zeitzer *What Works and Looking Ahead: US Policies and Practices Facilitating Return to Work for Social Security Beneficiaries* and P. Thornton *What Works and Looking Ahead: UK Policies and Practices Facilitating Employment of Disabled People*.

[2] Impairment status is based on the survey responses to a checklist of 27 specific mobility, sensory and mental impairments, although mental impairment is only represented by mental retardation.

expenditures have doubled. From 1995, numbers on the Supplemental Security Income[3] (SSI) rolls have remained almost constant, and here growth in total payments has slowed substantially since that date. There is common trend of younger people coming on to the Social Security Disability Insurance (DI) rolls in the US and on to incapacity benefits in the UK. Mental disorders are the most common main condition in both systems.

II Common Policies and their Effects

The UK and the US are both striving to find solutions that will make an impact on the employment rates of disabled people. This Part looks at what the research tells us about the effects of policies common to both countries. Part III looks at potential lessons from unique approaches. It should be said at the start that neither the US nor the UK has yet found interventions that make a substantial impact and that the potential lessons learnt are only partial solutions.

1. Incentives to Leave Benefits for Employment

Easy return to benefit

Both systems have moved to counter fears amongst beneficiaries of not being able to return to benefits should the disability again pose a barrier to working. Expedited Reinstatement of Benefits (USA) and linking rules (UK) both depend on the individual filing a request for reinstatement. Numerous individuals in the US are making use of this recent provision although given the relative newness of this work incentive and lack of administrative data to date, not a great deal more is known. UK research suggests some lack of awareness of the UK rule and suggests that it can be hard to put into practice. To take advantage of the rule in the UK, notice of starting work must be given within one month of leaving benefit and the job must be lost for disability-related reasons. In the US, former beneficiaries must file a request for reinstatement within 60 months of the last month of entitlement and must not have medically recovered.

Retaining benefits for trial work periods

The US system allows for a nine-month trial work period plus three months transitioning off of cash benefits under the DI program, followed by entitlement to an extended period of eligibility for the benefit. Use of these provisions has been found to be very low and ultimate return to work extremely low. The UK has more limited provision with restrictions on hours and earnings; data on take up and outcomes from these new ‘permitted work rules’ are not yet available.

Supplementing earnings

A central plank of UK policy is supplementing earnings for lower paid groups, including disabled people. The supplements are known as tax credits. Take up of the specific disabled person’s tax credit among people receiving incapacity benefits seems to have been low, though this is hard to measure because of the complex eligibility criteria. Disabled people can need expert advice to judge whether taking up work is worthwhile because of complex interactions in the benefit

[3] Means-tested supplemental income program for individuals with disabilities, with blindness and/or age 65 or older.

system – a general problem in the UK benefits system. While the US has a tax credit system there is no specific provision for people with disabilities that are paid directly to them, but there are deductible expenses for some disability-related costs.

Increasing awareness and take up of incentives and benefits planning

Prior to the implementation of the Ticket to Work and Work Incentives Improvement Act (Ticket to Work Act), in the US only one in five surveyed were aware of DI work incentives and, of those, fewer than 15 percent reported their return to work being influenced by them. There are no UK survey data but awareness is thought to be low also. UK beneficiaries are informed of incentives by letter. Jobcentre Plus and independent sector advisers can provide better-off in work calculations, which compare entitlement in and out of work, and help with claiming in-work benefits.

In the US, the recently established 'Benefits Planning, Assistance and Outreach' Program for SSI and DI beneficiaries is provided by community-based organizations. Here half of beneficiaries making contact receive intensive benefits support and the majority of those contacting the program are already employed or seeking employment. The 'Protection and Advocacy for Beneficiaries of Social Security' program is also charged with providing advice on SSA work incentives along with employment advice and representation.

2. Individualized Employment Services

Early intervention

US and UK attention has turned to intervention at the point of applying for benefits. A strong work focus in meetings between benefit claimants and advisers is central to the UK 'welfare to work' approach[4], with the creation of a single employment and social security benefits agency (Jobcentre Plus). Compulsory work-focused interviews, as a condition of benefit claim, are being extended nationally to incapacity benefits recipients. A pilot of integrated service delivery with a work-focussed benefits pathway did not lead to any increase in employment among incapacity benefits claimants. Nor did it increase the likelihood of incapacity benefits claimants looking for work or moving off benefits. The evaluation of this approach considered reasons for these results and lessons learnt have been built into the design of Jobcentre Plus.

In the US, an early intervention demonstration project is a new departure for the DI program. Participation by beneficiaries will be voluntary. Inducements to try the return-to-work path instead of the normal disability determination process include immediate cash stipends equivalent to the benefit the person would have received and immediate health insurance with no 24-month waiting period. The experiment, which will have both treatment and control groups, will test three models of support: a 'community support' model depending on current practices and referral to local Vocational Rehabilitation services; an innovative model using private sector providers and additional assistance such as housing, transport, and durable medical equipment needed for return to work; and a 'contingent fee' model using both public and private providers paid on an outcome basis. A feature of the project of potential interest to the UK is a tool developed to score the likelihood of return to work and so select participants. The UK is consulting on using a different

[4] 'Welfare to work' in the UK encompasses sickness, disability and unemployment.

method of identifying those who would benefit most from employment-related help through Jobcentre Plus.

Increasing the employment expertise of benefits advisers

Under the Ticket to Work Act, SSA has a new responsibility to establish a corps of trained and accessible 'work incentive' specialists within the Agency. SSA initially piloted 'employment support representatives' specially trained in accessing employment programs and providing employment supports. The Agency is now applying lessons learnt from that initial pilot as it develops alternative approaches to fulfilling this responsibility under the law. In the UK, Jobcentre Plus advisers' limited awareness of external services for disabled people has proved to be a concern in the work focused interview system, and also in serving disabled participants in the mainstream New Deal programs. Furthermore, Job Centre Plus advisers can lack confidence in dealing with people with health problems or impairments. UK plans are to establish teams of specialist advisers, in addition to existing disability employment advisers already experienced in directing people to external programs.

Employment networks

Both countries have tested programs using case management approaches provided by public and independent sector organizations. The impacts found in the evaluations of the US Project Network experiment and the UK New Deal for Disabled People Personal Adviser Service pilot were modest. Measures of impact differed, and the opportunities to assess impact in the UK program were limited. Both of the current programs – the New Deal for Disabled People national extension and the Ticket to Work program – set out to offer the consumer choice of providers. Both are testing a funding mechanism that rewards the provider for employment outcomes. Early findings from Britain are that the funding regime is influencing providers to focus on the most job ready clients. Providers in the New Deal for Disabled People are obliged to accept all volunteers on eligible benefits. The legislation governing the US Ticket to Work Program requires equitable provision to ensure that everyone regardless of severity of disability can participate, and an advisory panel established by the SSA is examining incentives or disincentives to serve all types of clients through the funding mechanism.

In the US a longitudinal study has tracked the performance of the long-standing national network of state vocational rehabilitation agencies (VR). The study has also followed up participants for up to three years after completion. Data on longer-term outcomes is a gap in UK research. A further study in the US of VR found close to two in three youth participants achieving an employment outcome following VR services.

Community-based rehabilitation providers

Both countries have significant numbers of community-based rehabilitation providers offering pre-employment services and supported employment. There is no overview of their effectiveness in the UK, though independent sector providers are often covered by evaluations such as those on the New Deal for Disabled People. A US study of a national sample of organizations and selected participants has identified ten service processes that account for nearly 80 percent of variance related to gaining and staying in employment. That research also defines quality outcomes. Current data suggests high rates of employment on exiting the programs (84 percent) but six in ten remain on SSI/DI at exit (though there are no comparisons with non-participants).

3. Adjusting Work and Workplace

A UK program helps with the costs of adaptations, work-related equipment, support workers (including readers, communicators and personal assistants) and fares to work. Research on the net impact of Access to Work found that the main overall effect is to support job retention. Help with the costs of travel to work is particularly effective in sustaining employment. Help with substantial costs of support workers and adaptations to premises supports both recruitment and retention.

Access to this program depends on the disabled person making an application. In the US, an income tax deduction is available to employers for the removal of architectural and transportation barriers in anticipation of their facilities being used by persons with disabilities. However, tax incentives were viewed as one of the least effective means of reducing barriers in a survey of private sector employers.

UK employers value the expertise of Access to Work staff in advising on appropriate solutions. There is no national free consulting service in the UK equivalent to the US Job Accommodation Network (JAN). 1999 data from JAN show that the majority of accommodations cost less than $500. The costs of accommodations appear not to be the barrier to employment of people with disabilities that was feared in the early stages of passage of the US laws.

The US lays heavy emphasis on increasing access to assistive and universally designed technologies, and there are a number of current initiatives within the US federal government.

4. Making Disability Discrimination Unlawful

The UK has a long history of disability employment legislation. The employment provisions of the Disability Discrimination Act 1995 (DDA) came into force in December 1996 replacing a little used quota scheme. Disability non-discrimination law in the US is much longer established; legislation governing federal agencies and their contractors dates from 1973, and the Americans with Disabilities Act (ADA) was introduced in 1990. The duty on employers to make reasonable accommodation or adjustments is the key element common to both systems. Both the ADA and DDA apply to employers of 15 and over but from October 2004 employers of all sizes will be covered in the UK.

Only nine percent of claims brought under the DDA and ADA relate to discrimination in the hiring process. This might suggest that individuals already in employment are more likely to use, and be better informed of, their rights. The UK experience suggests, however, that awareness among employees of the DDA as an appropriate legal recourse may be low, but rising proportions of the public say they have heard of the DDA.

High levels of familiarity with the provisions of the ADA are found among US employers, while in the UK, with its more recent legislation, employer knowledge of the employment provisions of the DDA can be sketchy or inaccurate. Employer awareness of the existence of the DDA, and of its employment provisions in particular, appears not to have risen over the period since the Act came into law.

Evidence from UK surveys points to shifts in employers' practices since the early or mid 1990s: a significant growth in formal policies on employment of disabled people and increasing proportions of employers reporting they actively encourage employment of disabled people.

US research suggests that employers are responding to disability non-discrimination legislation by making accommodations for applicants and employees. Over four in five were found to have made existing facilities accessible, and a similar proportion had applied human resource policies flexibly. Restructuring jobs and work hours was also common. Less than half had modified training materials or provided readers or interpreters, confirming other findings that employer were much less familiar with issues relating to visual and hearing impairments. A cautious suggestion from a review of UK employer surveys is that a growing proportion of employers with disabled employees may be making adjustments on their behalf. It cannot be assumed that developments in employer practices are attributable to the DDA, however.

UK analyses of survey data on earnings and employment rates suggest that discrimination exists, but measuring changes in rates of discriminations would be hard to do. Whether the ADA has had any positive effect on employment rates of people with disabilities in the 1990s is highly controversial in the US. It is likely that the decline in employment rates in the 1990s is attributable to other factors, though still open to debate.

5. Financial Incentives to Employers

Since 1997, the US has allowed for reductions in employers' federal income tax liability to encourage recruitment of nine targeted groups of job seekers with barriers to employment, including people with disabilities and the welfare to work population (of whom significant proportions have some disabilities). A similar tax credit is designed to promote recruitment into low paid jobs of long-term family assistance recipients (who begin work from January 1998 to end 2003). Use of both tax credits has grown dramatically.

Subsidies to UK employers are available in the subsidized employment element of New Deal programs for unemployed people including disabled people. Within UK specialist programs for disabled people there is one very small program offering a short-term inducement to hire a specific disabled job applicant where the employer has doubts about ability to do the job. This can be attractive to small employers finding it hard to recruit to low-waged jobs. There is some evidence that grants towards costly adjustments under the Access to Work program can act as an incentive to recruit and retain disabled people.

III Potential Lessons

In trying to write two parallel papers, it soon became clear that there were indeed significant differences in approaches between the US and the UK concerning how best to promote employment for people with disabilities. The existence of certain types of efforts, programs or other incentives in one country was not necessarily matched by similar approaches in the other. Likewise, serious barriers in one country to employment for disabled individuals that require complex policy solutions may not exist in the other. For example, access to health insurance for people with disabilities who want to work, a serious concern in US policymaking, is not an issue

in the UK, which has universal health insurance. In short, it soon became apparent that while both countries are struggling with similar problems, each has crafted different policies to deal with them and that each might learn from the other in certain areas. Thus, some of the key potential lessons are given below.

1. What the US can Learn from the UK and Why

First, and most importantly, the UK separates the notion of entitlement to a benefit based on having a significant disability from being entitled based on an inability to work. For the person with a disability in the US, the current definition is often a trap – either one is too disabled to work or one is able to work and is therefore not considered disabled for Social Security benefit purposes. The US all or nothing approach not only ignores the episodic or cyclic nature of certain disabilities, but also assumes that if one can work, one can do so full time. In contrast, the UK begins by linking entitlement based on disability to functional limitation irrespective of work considerations. Once an individual is found to be disabled functionally, work may or may not be an option for him or her. If the individual wants to enter, continue in, or return to work, then programs come into play to help remove the barriers or disincentives. The following sections highlight lessons from some of these programs.

Access to Work Program

The US has not resolved the problem of how to pay for the costs of worksite accommodations for individuals with disabilities with high cost or ongoing needs. Current policies seem to expect the employer to pay for costs of accommodations and to cover them with certain employer tax credits. While most employers seem willing to pay for one-time accommodations or special technology and perhaps even adjust the requirements of the job, on-going costs are another matter and the tax credit is of limited use in those situations. Someone who needs a personal assistant, sign language interpreter or other everyday accommodations in order to work is not as likely to find a willing employer. Part of the possible explanation is that most businesses are simply too small to be able to afford such extra costs.

The UK's Access to Work program allows the employer to arrange to buy the support needed and then to claim back the grant from the program. Furthermore, self-employed individuals can claim the grant. For existing employees, after the employer pays the first £300, the support is 80 percent for costs between £3,000 and £10,000 and 100 percent for costs over £10,000. Costs of support workers and communicator support at interviews are paid at 100 percent. The program also pays fares to work for disabled employees who cannot use public transport. All help is for a maximum period of three years after which circumstances are reviewed. The Access to Work programme has proved to be an incentive to hiring and retention where on-going and substantial costs are involved, while the impact evaluation showed a clear pattern of employers being willing to pay for less expensive one-time items such as ergonomic equipment.

Tax credits

The Disabled Person's Tax Credit (now replaced by new integrated tax credits) is another way in which the UK has developed policies to help neutralize the costs of having a disability so as to make work pay. It is a more generous means-tested benefit than the US EITC. It provides an earnings supplement where people are unable to work a full week because of a medical condition

and also supplements low wages, as do other tax credits for lower paid groups. Perhaps what is most laudable about the DPTC is that disabled people who work do not have to until the end of the tax year to file for a retroactive payment, as is usually the case in the US. Instead, employers pay it as a supplement to wages right in the worker's paycheck. Disabled workers who have children may also be entitled to help with the cost of childcare.

2. What the UK can Learn from the US and Why

The Government as a model

The federal government's role both as a model employer and a subtle catalyst for social change is a very strong candidate from the US. For more than 25 years, the US government has expanded opportunities by setting standards in hiring, promotion, accessibility and accommodations. As an employer, the government goes to extra lengths to attract individuals with disabilities to the federal workforce through direct recruitment, including internship programs, as well as by producing all websites and materials in accessible formats and cross-linking general employment information. Moreover, there are specific non-competed categories under which people with disabilities can be hired. The government is also a model for on-the-job accommodations. Federal agencies typically provide any type of needed communications technology, personal assistants, readers and signers, accessible shuttle transportation, and upgrades for business-related flights, if needed. Currently about 7.1 percent of the federal workforce (not including the Postal Service that also has employees with disabilities) are individuals with disabilities. Agencies' performance in hiring and retaining workers with disabilities is monitored and published. An Executive Order signed in 2000 directed federal agencies to create hiring plans to bring another 100,000 individuals with disabilities into the workforce over five years. In 2002, 5.7 percent of new hires were persons with disabilities.

The subtle influence of federal government may be even more effective than the overt ways described. First is the ability to change public attitudes through having an inclusive workforce, so that individuals with disabilities are serving both to educate the non-disabled public about their abilities and also to motivate other disabled people to try working. Secondly, government acts to promote employment and access through its role as a major purchaser of goods and services. Essentially, the government requires that any contractors or others who receive federal funding must not discriminate against people with disabilities. Finally, because the government is the 'largest customer' for many types of products, it can induce vendors to make their equipment accessible. A recent example is the new amendments to Section 508 of the Rehabilitation Act that require that when federal agencies, develop, procure, maintain, or use electronic and information technology, it must be accessible to people with disabilities including employees and members of the public. So for example, all photocopiers, including those for use by the public in post offices, will have to be usable by individuals with visual disabilities.

Nothing about us without us

As in the UK, US policy makers have come to realise, through the efforts of disability advocates, that employment promotion policies must engage the people who stand to benefit. US disability advocates and people with disabilities have adopted the slogan 'nothing about us, without us'. The US has continued to broaden the role played by advocacy organizations in the drafting process. Contemplated changes are frequently the subject of public hearings at grassroots level.

Even if people with disabilities are included in the process of crafting new policies and programs, there is still the possibility of unintended consequences of well-intentioned policies, particularly if rules under one program eliminate benefits under another. Therefore, it is also very important that new programs or policies build in a feed-back loop from the disability consumers and service providers to the oversight agency to provide on-going monitoring and evaluation opportunities. The latest step in this direction is the creation of the Advisory Panel for the Ticket to Work and Work Incentives Improvement Act of 1999. For the first time, the law that created the new program also built in a long-term oversight, monitoring and advice function, through creation of a 12-member Advisory Panel of experts. The Panel reports directly to the President, the Congress and the Social Security Administration on how legislation is performing.

In the UK, the *Pathways to Work* Green Paper[5] acknowledges the key role stakeholders, such as disability organisations and other voluntary sector groups, employers, trade unions, insurers and health professionals have to play in working together to keep people with health problems within the labour market. It proposes that the newly established Disability Employment Advisory Committee (DEAC) should advise on how to engage these key stakeholders. The paper has provided a focus for a wide-ranging public consultation exercise, which has recently ended. Officials are currently analysing responses - and there has been a broadly positive overall response.

IV Building the Evidence Base

Both countries seek to improve employment rates among people with disabilities. Indeed, the UK Department for Work and Pensions, as part of its public service agreement with the Treasury, has a performance target to significantly increase the employment rate of disabled people, taking account of the economic cycle, and to significantly reduce the difference between their employment rate and the overall rate.

National longitudinal surveys provide data on trends in employment participation rates. But in both the US and UK, such surveys use differing definitions of disability, variously covering reported impairments, the perceived effects of impairments on daily activities and the perceived effects on work potential. Commonly reported measures of success of interventions are the number of people participating and the number achieving the desired outcomes. Good administrative data are essential to demonstrate how far programmes have met their objectives over time in these respects. Surveys can be helpful too, but demonstrating change over time is often thwarted by inconsistencies in the way questions are asked and in the survey populations. When surveying program outcomes, it is helpful to settle on a standard definition of disability aligned with a national survey definition, and it is important here to distinguish outcomes for people with work-limiting disabilities.

In the arena of welfare to work research, the US leads the field in efforts to demonstrate whether new interventions make a difference compared with no intervention, through random allocation to ‘treatment’ and ‘control’ groups. As yet the net impact of interventions for people with disabilities has seldom been assessed in this way. However, in both countries new demonstration

[5] Secretary of State for Work and Pensions (2002) *Pathways to Work: Helping people into employment*, Cm 5690, Norwich: The Stationery Office.

projects are to, or will, use random assignment and so help to create an increasingly robust evidence base. Research on the impact of interventions often stops short at measuring short-term outcomes. It is important to gather evidence on the sustainability of employment and increased earnings.

It is hard to compare the multitude of existing programs with broadly similar aims and delivery processes, especially where eligibility criteria differ, but there is scope for controlled comparison group studies. In the UK such studies would shed light on the relative merits of 'mainstream' and specialist disability programs.

Although there is survey evidence on barriers people face, we lack real understanding of why disabled people do not take up work incentives and return-to-work programs. Nor do we know why disabled people do not use their rights under non-discrimination legislation. In-depth studies are needed to understand how measures fit with ordinary lives.

V Main Issues for Policy Development

The following brief discussion pinpoints some areas where new and innovative policies and experimentation are still needed. Not considered explicitly here is the distinctive UK approach of compulsory work-focussed meetings as a condition of benefit receipt and the their extension to most incapacity benefits recipients. Indeed the Green Paper proposes that a series of adviser meetings should be compulsory.

New strategies for early identification and intervention

One of the axioms of good vocational rehabilitation practices is to identify and intervene early with workers who develop health problems or disabling conditions, especially before they begin to affect their work productivity or attendance. The rationale is, of course, to try to implement accommodations while the worker is still attached to the job and before the situation exacerbates to a point where departure or dismissal occurs. If the latter occurs, the likelihood is that the ill or impaired worker will perceive that s/he has no other choice but to file for disability benefits. Unfortunately, the US, and to a lesser extent, the UK have not devoted much effort to policies to help the worker in that situation (and by extension his or her employer) to keep the job.

Evidence that the UK is more advanced in tackling this problem is demonstrated by the Job Retention and Rehabilitation Pilot. The idea of the pilot is to help people in the early stages of illness or disability, while they are off sick but still employed and before they can claim Incapacity Benefit. The pilot, which will run for three years from April 2003, is being evaluated using random assignment and will test workplace interventions, health interventions and a combination of both. The intervention will not occur until work attendance has been affected by the condition.

More creative, less complicated use of the tax system

A country's system of taxation and monetary redistribution is usually a good reflection of that country's social policy goals. Whether the goal is poverty alleviation, social solidarity, stimulation of free enterprise or infrastructure development, and the degree to which these goals are important, can often be ascertained from the system of levying and redistributing taxes. For

example, in the US, the tax structure of deductions and credits clearly shows that home ownership is a major societal goal. As the US and the UK are both committed to increasing opportunities for people with disabilities to work and participate more fully, new policy directions should probably explore ways in which the tax system could be made more reflective of that goal. Specifically, policy directions should be explored in which the tax system helps to level the playing field so that if a person with a disability chooses work over benefits, they are not only not disadvantaged, but instead are actually financially better off. The UK's Disabled Person's Tax Credit is a very good attempt to do just that. The return to work tax credit for people leaving incapacity benefits set out in the Green Paper is an attempt to see if further incentives have any impact. Similarly, the Access to Work Program helps employers with the additional expenses that are incurred to accommodate a worker's disability. Both go much further than any tax incentives in the US system. It is important that eligibility criteria are easy to understand and that bureaucracy is kept to a minimum. Indeed, the low take up rate of tax incentives for employers to make accommodations in the US system is frequently attributed to the complexity and red tape involved. The US income tax system has allowed a vast number of Americans to become homeowners through a fairly easy system of deductions and credits. The goal of employment promotion for people with disabilities might well benefit from a similar commitment to new taxation policy directions.

Employer-related policy directions

As mentioned in the section III, the US federal government has made, and is continuing to try to make, good progress in the area of being a model for employment retention and promotion of people with disabilities. Their long-time requirements for accommodation, coupled with their latest commitment to increase hiring by 100,000 over five years, demonstrates their seriousness about this policy direction. These initiatives should be studied for their effectiveness in changing employer policies, practices, and culture for possible replication in the private sector. A significant research gap, in the UK at least, is in-depth understanding of how employment policies work inside organisations.

The policy mix

The final issue is how to find the right mix of policies to maximize employment success. On both sides of the Atlantic we find a multiplicity of work incentives and return-to-work programs with differing arrangements for accessing them. The research shows that disabled people face multiple barriers to accessing and staying in employment. This suggests not only more complementary programs but also more streamlined programs combining service elements.

Cornell University
ILR School
Employment and Disability Institute

For more information about the **project**:

Contact Name
Employment and Disability Institute
Cornell University
201 ILR Extension Building
Ithaca, New York 14853-3901

Tel	607.255.xxxx
Fax	607.255.2763
TTY	607.255.2891
Email	xxxx@cornell.edu
Web	www.edi.cornell.edu