



LOST WORK TIME AND OLDER WORKERS

INSIGHTS FROM IBI'S BENCHMARKING DATA

RESEARCH BRIEF

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THE ISSUE

Older workers remain highly productive members of the labor force, as reflected in their wages and contributions to business outcomes. As the workforce ages, employers looking to maximize the value of their workforce and to make proper investments in employee health need to more fully understand how age fits into the health and productivity equation.

EVIDENCE

We use data on lost-time benefits from IBI's Health and Productivity Benchmarking program reflecting the experiences of 52,000 employers. Analyzing short-term disability (STD), long-term disability (LTD), federal Family and Medical Leave Act (FMLA) and workers' compensation (WC) claims, we examine how age impacts the reasons for work absence and for the associated lost-time durations. Although practitioners may think that older workers have higher leave incidence and longer durations for all types of health conditions, the data tell a different story. We find that:

- Excluding pregnancy and child bonding claims, older workers (aged 55 and up) surprisingly do not account for a majority of claims. Older workers account for between 23% - 42% of FMLA, STD and LTD claims, and only 17% of WC claims.
- Cancer claims generate the greatest proportion of STD lost workdays among older workers, but relatively few lost workdays among young workers (aged 18-34). Compared to workers under age 55, osteoarthritis, COPD and coronary heart disease also generate a relatively large number of STD days among older workers. Similar patterns are observed among LTD claims.
- Younger workers lose more STD time from work for depression and anxiety. Not surprisingly, they also lose more time from work for sprains and fractures.
- Lost work time does not follow age for all conditions. Low back pain takes a more similar productivity toll across STD claimants of all ages.

- Sprains account for about half of all WC temporary total disability (TTD) lost workdays, regardless of the claimant's age. The types of sprains differ by age, with older employees more likely to lose work time from job-related shoulder sprains and workers under age 55 more likely to lose work time from back/neck sprains. Fractures account for more WC lost workdays among older workers than among workers under age 55.
- When an older worker has an STD, WC or FMLA claim, they tend to be absent from work longer than young or prime age (35-54 year old) workers. There is also evidence that older workers have more variation in the durations of some types of absences, suggesting greater opportunities for effective RTW strategies.
- Older workers have fewer FMLA days than young workers, but only when child bonding leaves are included. Older workers have more FMLA days for their own health reasons than do workers under age 55.
- Older STD claimants are more likely to transition into LTD, and perhaps out of their employer's workforce entirely. On the other hand, prime age workers - rather than older workers - have the highest LTD claim costs.

SOLUTION:

Employers can make better decision about how to structure their health promotion, absence management, (RTW) return-to-work and disability benefits if they understand the productivity impacts of disability absences in their workforce. Understanding the how age factors into disability lost productivity is a key component. The findings point to the advantage of targeted disease management strategies according to the age profile of the workforce.