

Letter of Intent regarding a more inclusive working life

4 March 2014 – 31 December 2018 (the IA Agreement)

The Letter of Intent regarding a more inclusive working life (the IA Agreement) is based on a tradition of cooperation and trust between the authorities, employees and employers in Norway, both centrally and locally. The Agreement is based on a shared acknowledgement that activity through work promotes good health and that early implementation of active measures could prevent withdrawal from work.

Since the first IA Agreement was signed in 2001, absence due to illness has dropped and more people are working longer before retiring. There is also increased awareness regarding employment of people with disabilities. The IA Agreement has yielded closer cooperation regarding the inclusion work at all levels between the authorities, social partners and in enterprises. The IA cooperation has also helped strengthen the tripartite cooperation both centrally and locally.

The workplace is the most important arena for an inclusive working life. The results of good IA work are created in the individual enterprises where employee representatives, employees and the employer have set common goals, and where the authorities contribute supportive measures to help achieve these goals. Good results require strong management engagement and follow-up, and systematic cooperation with employee representatives and the safety delegate service in each enterprise. Good results are also contingent upon the authorities making expedient instruments available for enterprises that sign the IA Agreement. Good IA work requires good communication between the employer/employee, the Norwegian Labour and Welfare Administration (NAV), the Norwegian Labour Inspection Authority and the sick-leave certifiers (medical/health personnel who can issue sick leave certificates).

The cooperation for a more inclusive working life is an important policy instrument designed to help achieve the paramount goals in employment and social policy, and shall supplement and reinforce other general policy instruments of a legal and/or financial nature. A good working life that helps prevent illness and withdrawal, includes those who are fully or partially excluded and increases the age of retirement, also contributes to mobilisation of labour in a time where this is becoming increasingly important.

An important basis for the IA cooperation is that participation in working life, in its own right, can often promote good health in individuals. Contact between the enterprise and employees on sick leave to help ensure that absence due to illness does not lead to permanent withdrawal from working life is therefore highly prioritised. Use of graduated or partial sick leave, where the employee can work part-time during the illness and keep in touch with the workplace, is an important instrument in this connection. The parties to the agreement therefore agree that it is desirable to continue to facilitate increased and improved use of partial sick leave. This requires continued efforts to strengthen the work to follow up people on sick leave at an early stage and during the course of the sick leave period. Initiating a pilot

project with a simplified and restricted “sick leave at work” program is proposed. Such a program could support the ambition for increased use of partial sick leave, and thus contribute to activity rather than passivity. Furthermore, evaluations and experience have revealed a need to reduce the red tape and simplify the system for following up people on sick leave. A proposal for such simplification will be presented to the Norwegian Parliament (Stortinget) during the spring session in 2014.

The IA Agreement is a Letter of Intent to contribute to a more inclusive working life. The IA cooperation represents a comprehensive effort, where the quantifiable goals, together with research and analysis of the situation and development trends, are tools for evaluating success. It is methodically challenging in terms of the research to separate the various contributing causes of such a comprehensive effort. A technically sound interpretation of the situation and development is therefore key in order to measure success. The expert group plays an important role in this work.

The Norwegian Government and the social partners agree on improved follow-up of certain challenges in the upcoming agreement period. To achieve better results with regard to increased employment of people with reduced functional ability, the efforts will target young people. The parties to the agreement also agree that focus on the preventive aspect of working environment efforts shall form a larger share of the practical work of the IA Agreement, and this is also signalled more clearly in the formulation of the objectives.

The facilitation obligation in Section 4-6 of the Working Environment Act is invariable and far-reaching. The scope of the obligation depends on the employer’s real facilitation opportunities and applies “insofar as possible”. The IA Agreement does not change this.

The parties to the agreement make reference to the Memo dated 4 March 2014 from the Minister of Labour to the Council for Working Life and Pension Policy regarding follow-up of articles in the Government’s political platform that involve the inclusion work. The parties to the agreement refer to the fact that the Council for Working Life and Pension Policy shall be involved in the follow-up of these articles.

The Letter of Intent regarding a more inclusive working life (the IA Agreement) is entered into between the Government, represented by the Minister of Labour and Social Affairs, and the employer organisations, represented by The Confederation of Norwegian Enterprise - NHO, The Norwegian Association of Local and Regional Authorities, The Employers’ Association Spekter, Virke, the Enterprise Federation of Norway and the State as employer represented by the Minister of Local Government and Modernisation; and the employee organisations, represented by The Norwegian Confederation of Trade Unions, The Confederation of Vocational Unions, The Confederation of Vocational Unions and The Federation of Norwegian Professional Associations.

This agreement replaces the Letter of Intent regarding a more inclusive working life dated 24 February 2010¹.

¹ The cooperation for a more inclusive working life has functioned through three subsequent agreements during the period from 2011 – 2013. The cooperation regarding the IA Agreement has been evaluated twice, in 2009 and 2013, by Sintef’s Department of Health Research.

Objectives of the cooperation

The paramount objectives of the IA Agreement are:

To improve the working environment, help bring employees back to work, prevent and reduce absence due to illness and prevent expulsion and withdrawal from working life.

Operative goal 1:

20 per cent reduction in sick leave compared with the second quarter of 2001. On a national level, this means that sick leave cannot exceed 5.6 per cent.

Operative goal 2:

Prevent withdrawal and increase employment of people with reduced functional ability.

Operative goal 3:

Active employment after age 50 to be extended by twelve months. This means an increase in the average period during which people (over age 50) are actively employed, compared with 2009.

The parties emphasise that the various operative goals must be viewed in context in order to achieve the intention of a more inclusive working life. Each IA enterprise shall set its own goals for the IA work on the basis of the three operative goals in the IA Agreement. The enterprise shall set targets for all three operative goals, insofar as practical.

Obligations in the tripartite cooperation

The IA commitment to reduce sick leave and prevent expulsion and withdrawal will be reinforced and focused through efforts on the national, regional and county levels, where the point of departure is formed by the prevailing conditions and challenges in the sector/branch/industry as regards absence due to illness and preventive HSE work, including:

- Directing efforts towards areas with special challenges within branches, sectors, industries and groups.
- Contributing to as many enterprises as possible endorsing the IA Agreement, by entering into new or adjusting existing cooperation agreements.
- Working to achieve a good working environment with emphasis on preventive HSE work.

Operative goal 2 entails both preventing people with reduced functional ability from withdrawing from work and increasing the employment of people with reduced functional ability. Preventing withdrawal will require a broad commitment including a targeted effort under operative goal 1. To increase the employment and inclusion, the efforts during the agreement period shall mainly be aimed at young people who need work-related assistance, and who can start working with expedient follow-up and facilitation.

The parties shall further develop instruments for a more inclusive working life. Continued follow-up of already tested and evaluated projects, for example under the auspices of “Health and rehabilitation services for people on sick leave (Return to work-programme)” will be considered. The parties agree that they will work to develop and test new instruments during the agreement period. This could include instruments aimed at improving a more targeted follow-up system for people on sick leave by differentiating between the various types and durations of sick leave, improved interaction between various actors in the workplace and

between the workplace, sick-leave certifiers and the Norwegian Labour and Welfare Administration, and inclusion of people with minor mental disorders, etc. At the same time, emphasis should in the future be placed on the IA parties' own updating of documentation as a basis for a shared understanding of reality, pilot programs, development of knowledge status, good examples, etc. The parties to the agreement also agree on the need to achieve a better understanding of the driving forces behind the development in sick leave, withdrawal from and the lack of inclusion in working life.

The parties to the IA Agreement will hold a national policy conference once a year, in which the research communities are included. The topics will be based on the development of the agreement's objectives.

The parties agree that the Norwegian Labour and Welfare Administration shall have the power to withdraw the status of IA enterprise in the event of deficient follow-up of obligations under the cooperation agreement.

Employers' and employees' obligations at the enterprise level

The results of good IA work are created in the individual enterprise. Good results require strong management engagement, long-term thinking and systematic cooperation over a long period of time.

HSE/IA work requires a long-term perspective, and demands that employers ensure that line management, supervisors, employee representatives and safety delegates have the necessary expertise to carry out this work. Broad-based employee participation is a must, including representation by the various parties in the committees the enterprise creates for this work.

About the cooperation agreement in the IA enterprises

All enterprises in Norway can participate in the cooperation by signing a cooperation agreement with the NAV working life centre and the employee representatives in the enterprise. The cooperation agreement has been reviewed and simplified in connection with the signing of this IA Agreement. Being an IA enterprise means that both the employer and employee representative/employee pledge systematic cooperation to achieve more inclusive workplaces. In return, IA enterprises receive special rights.

Dedicated contact person in the NAV working life centre

In a dialogue with managers and employee representatives in the enterprise, the contact person shall actively support the enterprise's own efforts to develop more inclusive workplaces, including the enterprise's work to prevent absence due to illness and transition to national insurance benefits. The contact person shall also offer advice in difficult cases, to ensure that relevant financial policy instruments are triggered, and take the initiative for good joint measures and activities vis-à-vis the relevant agencies and parties that can assist the enterprises in this work.

Prevention and facilitation subsidies from the Norwegian Labour and Welfare Administration

Prevention and facilitation subsidies can be granted to employers as compensation for additional expenses or efforts in connection with preventive HSE work, facilitation, testing and training in new tasks, or practical assistance needed by the employee. The subsidy can also be granted as remuneration for company health service expenses, to the degree the

company health service contributes in the preventive HSE work, or to help employees avoid sick leave, or to assist people in returning to work.

Use of self-certification

Employees can use self-certification for a total of 24 calendar days during a 12-month period. This means, for example, that self-certification can be used for 24 individual days. Self-certification cannot be used for more than eight days per sick leave incident.

The Norwegian Labour and Welfare Administration also has a number of policy instruments available for use in the follow-up and facilitation work. The working life centres shall assist with information about and facilitation of these general policy instruments vis-à-vis IA enterprises, including giving the IA enterprises information about the “Health and rehabilitation services for people on sick leave” program (Raskere tilbake).

Access to these policy instruments entails that:

- The parties in the enterprise commit to active participation in the IA work.
- As part of the HSE work, the enterprise commits to setting and following up specific activity and result goals in the sick leave work. The employer must ensure a good and inclusive working environment in cooperation and close dialogue with employee representatives, safety delegates and other employees.
- Twice a year, the IA work shall be put on the agenda as an integrated part of the enterprise’s working environment work, where the management, employee representatives and safety delegates are represented. Joint training should be included to achieve a unified understanding of the IA work.
- The enterprise shall provide opportunities wherein people cleared by the Norwegian Labour and Welfare Administration who need to test their work and functional abilities in ordinary working life can do so. This assumes that the State provides assistance through financial and competence-related measures, as well as other facilitation measures.

Obligations for employer and employee organisations

The employer/employee organisations agree that they will jointly and individually facilitate activity to support these objectives. This e.g. entails that the parties will:

- Prepare and provide information to their members about the IA Agreement so that existing IA enterprises and potential new IA enterprises are motivated to reinforce their commitment.
- Update and continue developing tools and training programs that enable the various actors at the enterprise level to follow up their roles in the IA work, including joint courses/training measures for the actors at the workplace.
- Work to ensure that employers, employee representatives and safety delegates in the IA enterprises complete training in preventive HSE work and facilitation work.
- Contribute to sectors/branches with high absence rates acquiring more knowledge about causal connections for absence in their enterprises/branches and that they initiate measures for prevention and follow-up in line with the objectives of the IA Agreement.
- Be a driving force behind various pilot projects that could have a good effect on return-to-work objectives.
- Set activity goals based on national goals, adapted to the challenges and conditions within the various tariff areas, to support the work in the enterprises.

- Develop tools that are specially adapted to different degrees of employee organisation and the size of the enterprise.
- Participate in the ongoing IA work through participation in central and local coordination forums.
- Cooperate with the authorities and contribute to the work of realising secondary goal 2 in the IA Agreement.
- Work to ensure that IA enterprises facilitate access to labour market job schemes.
- Work to prevent that people in the enterprises who either have or who develop reduced functional ability do not withdraw from working life.

The activity must be reported to the Council for Working Life and Pension Policy each year.

The authorities' obligations

The Government will not propose changes in the sick leave benefit scheme during the term of the Agreement, neither for employees nor for employers, unless the parties agree.

Based on their roles and expertise, the authorities, represented by the Labour and Welfare Administration and the Norwegian Labour Inspection Authority, shall assist in this targeted work. In their annual reports, the authorities must report specifically on their own efforts and activities in the IA work, and this shall be included in the annual reporting to the Council for Working Life and Pension Policy. The report shall contain the following:

- Number of IA enterprises, including sick leave statistics.
- Status from the working life centres, including contact persons for the enterprises.
- Development in the scope of employment assistance.
- Figures from the development in goal achievement for secondary goal 2 through the performance indicators.
- Development and use of the "Health and rehabilitation services for people on sick leave" program (Raskere tilbake).
- Implementation of dialogue meeting where the Labour and Welfare Administration is represented.
- Follow-up and development of sick leave certification practices used by doctors.
- Scope of the supervision and reactions aimed at enterprises and sectors with high sick leave rates.
- Figures showing the development in work force participation for the over 50 age group.

The authorities have a primary responsibility for facilitating participation in working life for people who need assistance to secure employment, cf. operative goal 2 of the Agreement. Young people who need employment assistance shall be prioritised when awarding jobs created in labour market schemes. The authorities, represented by NAV, shall use all available policy instruments as a step in the work to achieve operative goal 2.

The authorities shall support the social partners and enterprises by providing professional and financial assistance, and by making necessary policy instruments available, such as follow-up and facilitation subsidies. The authorities, represented by the Labour and Welfare Administration, shall ensure rapid clarification of candidates from the target group and assess activity and stop points to prevent passivity.

The authorities shall make the following special policy instruments available for the parties in the IA work:

- NAV working life centres will be the Government's policy instrument vis-à-vis enterprises with IA agreements. The national coordination unit for the working life centres will work on developing the portfolio of tasks covered by the working life centres, exchanging information and sharing effective practices.
- The IA enterprises will have a dedicated contact person in the working life centres who will assist the enterprise in working in a focused and goal-oriented manner on developing more inclusive workplaces, and provide assistance in difficult cases.
- The working life centres will assist the IA enterprises with information regarding and arrangement of general policy instruments, including the "Health and rehabilitation services for people on sick leave" program (Raskere tilbake) and Job strategy for people with reduced functional ability.
- The prevention and facilitation subsidy.

Through other general policy instruments, the authorities will facilitate the enterprises' work to prevent withdrawal and to increase employment of people with reduced functional ability :

- The authorities will work to simplify wage subsidy schemes, etc.
- The authorities will work to improve and clarify the content of the facilitation guarantees.
- Facilitation guarantees will be provided for enterprises that include people in the target group for operative goal 2.
- The authorities will consider a work testing program in the employee's current enterprise with full financing from the Labour and Welfare Administration, i.e. with a possibility of 100 per cent work assessment allowance.
- A contact person will be appointed in the Labour and Welfare Administration who will assist enterprises and job program participants with advice, guidance and support during the program period.

The overall level of the financial policy instruments in the current IA Agreement will be continued. The Ministry of Labour and Social Affairs will discuss the scope and organisation of the schemes that are important to achieve the national secondary goals in this IA Agreement, in the Council for Working Life and Pension Policy.

Organisation

The tripartite Council for Working Life and Pension Policy, under the leadership of the Minister of Labour and Social Affairs, is responsible for following up the IA Agreement at the national level. On an annual basis, the Council must discuss experiences and results achieved, as well as the future strategy and general plans, etc. for the IA work.

The follow-up group for the IA Agreement will be continued in the form of a working group under the Council for Working Life and Pension Policy. The central organisations and authorities will be represented in this group, including the Labour and Welfare Administration and Norwegian Labour Inspection Authority. The group will exchange and analyse important information and reports on and from the IA work, as well as prepare discussions in the Council for Working Life and Pension Policy.

The expert group is a tripartite work group that will discuss the development in the IA goals, financial and administrative consequences of the use of policy instruments in these areas and methodical questions in these connections. The group will submit an annual report to the

Council for Working Life and Pension Policy. The expert group's mandate, including composition, tasks and organisation shall be reviewed and potentially adjusted within the first six months of the agreement period. It is particularly important to develop good indicators for operative goal 2. This will provide a better basis for assessing the situation and goal achievement in an area where it is currently difficult to draw conclusions.

The need for good, comprehensive and research-based knowledge regarding the effects of implemented IA measures is a challenge. During the agreement period, it must be made easier to conduct effect evaluations, among other things, of new or adjusted measures. Special funds are earmarked within the framework of IA funds for summaries of existing knowledge and new knowledge development, as well as research-based attempts to extract more solid and evidentiary knowledge regarding the effects of IA measures. Relevant issues include differences in sick leave based on gender, the significance of the workplace for achieving the three goals in the agreement, etc. This must also be viewed in context with testing and further development of new policy instruments. During the first year of the agreement period, the follow-up group will prepare a plan for prioritising and using the funds for knowledge development during the agreement period.

Duration

The agreement will be valid for the period from 4 March 2014 to 31 December 2018.

By the end of 2016, the IA parties must jointly conduct an interim assessment of the status with regard to goal achievement and implementation and follow up of agreed measures and evaluated pilot projects, including the status for implementation and evaluation of pilots with "sick leave at work".

If the IA work is insufficient, or if interim development within the operative goals during the period is not satisfactory, the parties must jointly assess necessary and appropriate adjustments/changes to the further work.

Follow-up

Based on experience gained and development trends, the parties in the Council for Working Life and Pension Policy shall annually assess the results achieved in relation to the objectives of the agreement.

- If the results of the IA work show a negative trend, the authorities will initiate discussions with the parties to the agreement regarding necessary adjustments.
- If all or some of the operative goals for the agreement period can obviously not be achieved using the agreed policy instruments, the agreement will cease, unless the parties agree otherwise.

Oslo, 4 March 2014

Translator's note: Signed by representatives of the following entities:

The Government, represented by the Minister of Labour and Social Affairs

The Confederation of Norwegian Enterprise - NHO

The Norwegian Confederation of Trade Unions

The Norwegian Association of Local and Regional Authorities

The Confederation of Unions for Professionals

Virke, the Enterprise Federation of Norway

The Confederation of Vocational Unions

The Employers' Association Spekter

The Federation of Norwegian Professional Associations

The Norwegian State as employer, represented by the Minister of Local Government and Modernisation