

How Employers Can Lower Sickness Absence Levels In 2012 - Leading To Significant Cost Savings

Given the cost of sickness absence to employers, reducing absence levels can lead to significant savings. The CBI "*Healthy returns? Absence and workplace health survey 2011*" found that, in 2010, absence cost the UK economy over £17 billion, with the median total cost for each absent employee being £760.

Taking the contract of employment at its most basic, the employee is contracted to carry out work in exchange for payment. Absence can be said to frustrate the contract because the employee is not performing a fundamental obligation under the contract.

During the winter months, employees' sickness absence levels tend to increase. Even if the absence is genuine, employers can discipline employees for having excessive sickness absence, but they must act reasonably in so doing. Setting reasonable disciplinary sickness absence thresholds and communicating these to employees is advisable. In setting thresholds or, even in the absence of thereof, disciplining employees, doing this by reference to the national average sickness level can be reasonable. The CBI survey found that the average sickness level in the UK in 2010 was 6.5 days; 8.1 days in the public sector, with the lesser figure of 5.9 days in the private sector. In accordance with usual practice, generally employers should issue a verbal warning, followed by a written warning and then a final written warning before dismissal.

Return to work meetings, where employees have to sit across from their manager and explain their absence, can be an effective way of flushing out non-genuine sickness absence.

As regards long-term sickness absence, as a very rough rule of thumb, it can be fair to dismiss an employee as incapable of carrying out their job after six months' continuous absence. That said, employers must act consistently and so past treatment of long-term sick employees is of fundamental importance in employers acting fairly. Before dismissing long-term sick employees as incapable, the employer must consult the employee and be satisfied in particular respect of the following issues:

- That the nature of the sickness absence is serious. Usually expert medical opinion is required before the employer can be well informed in this regard.
- That there is unlikely to be sufficient improvement in their medical condition in the foreseeable future. Again, expert medical opinion is usually required.
- That the employee is incapable of carrying out their job by reason of their medical condition.
- That there is no assistance, aids, support or other reasonable adjustments that the employer could make to enable the employee to return to work.
- That the employer cannot reasonably sustain the employee's absence by reason of their needs and resources.
- That there is no permanent health insurance, pension scheme or sick pay scheme which can reasonably be called upon to enable the absence to be sustained for a longer period.

- That there are no suitable alternative positions to which the employee could be redeployed.

However, where employees are disabled (because they have a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities), employers are not only prohibited from direct and disability discrimination, and discrimination arising from disability, but they are also subject to the onerous obligation to make “reasonable adjustments” which can often include accommodating disabled employees for a longer period in employment before dismissing them as incapable. Thus, employers usually have to take additional steps where the employee is likely to be disabled.

By following some practical guidance, employers can implement new measures so as to reduce the cost of sickness absence to their business.

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This article appeared in January 2012 edition of CABLEtalk.

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