

### **Cross-cutting introduction to Sickness Cash Benefits (Table III)**

An insurance-based benefit, sickness payments are made when an individual employee is unable to work as a result of a medical condition. The resulting loss (or reduction) in earnings may be compensated in full, but usually in part, by the benefit. Eligibility is established by reference to an insurance record and entitlement is validated by a medical examination to confirm the claimant's condition. In some circumstances, and for limited periods, self-certification is admissible. In some cases, there is a 'waiting period' and a payment will only be made after several days of incapacity to work – this reduces administrative cost and it may be thought that the individual worker will incur only a small cost if away from work for a very short period. It is presumed that inability to work as a result of the medical condition will be temporary and that a return to work can be expected. If the medical condition turns out to be long-standing, and a return to work is therefore unlikely, then the claimant will usually be transferred to an invalidity or permanent incapacity benefit (see Table V).

This is a social security benefit that usually prescribes a key role for the employer, who may be responsible for making a payment direct to the employee, typically by way of continuation of salary or wages. Again, this reduces overall administrative cost to the social security system but does transfer liability and cost directly to the employer.

There may be exemptions from compulsory insurance, for example if income is below a prescribed amount or in case of insignificant employment. In a limited number of countries a membership ceiling is in place, excluding from compulsory insurance those whose income exceeds a certain maximum.

It is usual for there to be a minimum period of insurance or employment, sometimes up to several years in duration, before there is entitlement to sickness cash benefit.

The level of benefit varies between countries; in some it is flat-rate and in others it is earnings-related. There might also be variation to take into account the duration of payment, the type of sickness or the fact whether or not the beneficiary is hospitalised. There may also be supplements for dependent family members.