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Welcome!

In this newsletter we would like to reveal more of the Prohef system. The theoretical story may sound nice, but how exactly does it work in everyday practice? An employer and a coach explain more about their part in the process, and we hope the example calculation will bring you more understanding in how the final subsidy is specified. For more information about Prohef you can also check www.prohef.nl.

We hope you enjoy reading this newsletter!

Latest news

State as of February 17th, 2005 – By now, 30 occupationally disabled participants are working on an internship post (in some cases this is their second internship) and 21 have found a paid job.

Employers' Training: now in modules

At the end of last year, more than 400 companies in the region have been contacted to promote the special employer training that was planned for that fall. The first training group started in December. However, many employers have asked for the option to choose separate modules instead of the complete training, which covers 7 sessions. Operatie Pelios has now developed these separate modules to make the second training round in 2005 more accessible to employers who are interested. We offer the following modules:

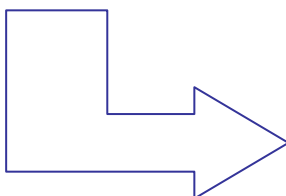
1. Knowledge of several occupational handicaps
2. Coaching on the job
3. The Gatekeeper Law
4. Existing legislation (Rea law)

Usually, this kind of training is quite expensive. However, because Operatie Pelios is funded by EQUAL this training can be offered without any costs for the employer. So you save training costs AND you learn how to prevent or minimize dropout of ill or occupationally disabled employees! Many employers have been contacted again about the new training setup, but you can still register if you want to !! Please contact the projectmanagement (address can be found on the back page of this newsletter) or check the Operatie Pelios website on "training employers and educators".

More news – Visit our website: www.operatiepelios.nl

Training for employers:

No costs, double profit



Colophon

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Prohef: the employer
Mrs. Jager-Ahlholm,
Child Day Care Centre “the Bubble”

“We have worked with Prohef before, during the first experiment. It fits the starting points of our organization, which was established out of our wish to improve the integration of mentally disabled people in society. Of course, the fact that the financial risk is lessened is a real advantage, but I think that should not be the main reason to participate in Prohef. The participants we had in the first experiment have been offered a regular job at the end. So, with this positive experience, we were willing to participate again, when Piet van Elswijk contacted us for Operatie Pelios.”

The **employer’s role** especially concerns the preparation phase. First, the actual vacancy is determined in detail. Then the coach contacts us about a candidate for the vacancy. In our case, we started with an internship to get a clear picture of the candidate’s possibilities and limitations. Based on that picture, the employer – in close contact with the candidate himself, with his coach and with Piet van Elswijk – determines the labour productivity percentage of the candidate. Mrs. Jager: “We base that percentage on, for example, how fast the candidate understands new information, how fast he executes his tasks, how much responsibility he can handle, and how independently he can work. We compare that with the performance we would usually expect from an employee, and with our daily work schedule. In short, it’s a realistic estimation of what you can expect from the candidate. Of course, in our line of work that is more difficult to estimate than, for example, in an assembly-line, so the mutual consultation is important!”

The percentage is recorded in the Prohef contract. The candidate is engaged by the employer and receives a 100% salary. The employer receives a bonus from Prohef based on the non-productive part, and also a bonus that is calculated based on the company’s number of fulltime positions compared to the company’s results (see example calculation).

When the project finishes, the Prohef financing

What is Prohef?

visit www.prohef.nl

Prohef is an economical model that was introduced by Piet van Elswijk in the beginning of the ’90s. Van Elswijk states that most taxes are imposed on things that the government wants to discourage the use of: alcohol, tobacco, cars. Labour is also taxed, which demands quite an investment of employers to hire someone. Prohef turns this process around: the tax is calculated based on the labour *output* instead of the labour costs, and every employer yields tax *deduction*. Several Prohef experiments have had positive results on regional employment so far.

also stops. Mrs. Jager: “If all has gone well, you’re so content with the new employee that you want to keep him/her in your company and are willing to pay the full 100% of salary. That is how it worked out after the last experiment.”

Mrs. Jager is glad to be able to coordinate with Piet van Elswijk on the one hand, and with the candidate’s coach on the other hand. For example, it is possible to renegotiate when, after a while, you think that the original labour productivity percentage that you determined earlier might not be right (anymore). “I am also pleased with participating in Operatie Pelios. The coach is really easy to contact in case of questions or consultation, and also in case of crisis. Many reintegration companies claim this, but in practice one usually gets disappointed.”

The contract with our Prohef candidate has not been prolonged, but that’s not because of Prohef or out of discontent of the candidate or ourselves. In our case, his clinical picture deteriorated so he could not continue his work here. Second, last January our organization merged with a foundation that doesn’t participate in Prohef. In any other case, this candidate would still be working here to everybody’s satisfaction.”

Prohef: how does it work? The rules:

1. Beforehand, in deliberation with the employer, the Prohef employee and his/her coach, the *labour productivity percentage* of the new employee is determined.
2. Beforehand, based on the annual financial report, the *tax percentage* is determined. For this, the following calculation is used: (sales minus investments) x tax percentage = number of fulltime positions x €4.000 bonus (see 4 for explanation about this bonus). N.B.: We use the term *fte* for every fulltime position in the company. Part-time positions are added up, so two employees who both work for 50% count as 1 fte.
3. The employer receives an extra bonus for the non-productive part of the new, occupationally disabled employee. This bonus is €1.500 for every 10 % of occupational disability.
4. The employer receives a € 4000 bonus for every full-time position in his company.
5. The employer pays the full salary (100%) to the occupationally disabled employee.
6. From the total of all bonuses, the tax percentage (see 2) is deducted: the agreed percentage x (sales minus investments). We call this the productivity tax. The sum that remains is the actual Prohef subsidy for hiring an occupationally disabled employee.

Every quarter of the year, a provisional account is made, based on pay sheets and the VAT declaration. Added to this, the usual allowances from Rea Law are applied, such as reduction of social taxes and abolition of the obligation to pay when the employee is ill because of the occupational disability.

Example calculation:

1. Say, the labour productivity percentage for the new employee is determined to be: **70%**
2. Beforehand (i.e. before the contract comes into force) the company sales are determined. Say:

sales per year = **1 million euros**
the employer now employs: **20 ftes**

The percentage is calculated like this:
20 ftes x €4.000 = tax percentage x 1 million. This comes to a tax percentage of: **8%**
3. The bonus for the non-productive part of the Prohef employee (30%) is

3 x €1.500 = **€4.500**
4. With the new Prohef employee, the employer now has 21 fte in his company (in this example, we assume a fulltime job for the new employee). The bonus is
21 x €4.000 = **€84.000**
5. The employer pays the full salary (100%) to the occupationally disabled employee.
6. The *total bonus* is:
Bonus of point 3 **€4.500**
+ bonus of point 4 **€84.000**
Total = **€88.500**

Say, the company sales have grown in the meantime with € 20.000, then this bonus is to be reduced with 8 % of
€1.020.000 = **€81.600**

Prohef subsidy = €6.900

Prohef: the coach

Mrs. Riet de Jager

The coach calls the employer's attention to the possibility of Prohef financing, when there is a possible vacancy and a candidate. Riet: "Because a regular contract is a prerequisite for Prohef, we are talking here about candidates who are ready for the labour market. So I look for internships that will eventually be paid jobs, or the candidate applies for regular vacancies himself. I tell the employer about the possibilities of subsidy, and if the employer is interested I contact Piet van Elswijk. He then visits the employer to explain about Prohef. After that, it is my job to check the Prohef contract with the regular employment contract; they have to match, or it has to be called off. The regular contract determines the matter. Furthermore, it is important to make clear to the employer that this financial stimulus should be a means and not a goal in itself. The Prohef subsidy doesn't cover the total personnel costs for the new employee; an investment by the employer is required here."

Determining the labour productivity percentage is especially aided by good consultation among the employer, the candidate, Piet van Elswijk and the coach. "This percentage, being difficult to measure objectively, can be determined to everybody's contentment by this consultation" Riet says. "When this percentage has been recorded, it usually lessens the pressure on the candidate's behalf. The message we give with the percentage is like this: we do take your limitations into account, you don't have to achieve more than you can. And the employer gets his financial profit more directly than according to the current Rea Law." In Operatie Pelios's everyday practice Riet has found out how important it is that the communication between the different parties is clear and rapid. "Being able to deliberate quickly is crucial to this strategy. The success of a Prohef track is directly dependant on the proper and flexible cooperation."

Transnational co-operation: The X Train

The X Train is a transnational co-operation between projects in five European countries, intending to exchange practical experiences, to develop toolkits, and to test methods and trainings in different organisational structures and cultures. The following EQUAL projects are partners in the X Train:

- CAD (Portugal)
- Diversity Faces (Sweden)
- SWELL (Scotland)
- Techne (Italy)
- Operatie Pelios (The Netherlands)

The end conference that was held last September in Stirling (Scotland) has been well evaluated by the steering group. In April, 2005 the last meeting will take place, and the final evaluation of The X Train will be the main topic here. Although the project itself will be officially finished by then, we are now checking out possibilities to keep cooperating with each other, for example: for the next round of EQUAL....

National co-operation

The development partners of Operatie Pelios are organisations with a lot of expertise in the field of (re)integration of the occupationally disabled and/or have experience with the policy and financial side of things.

The development partners of Operatie Pelios are:

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