

The cost of inaction:

Why businesses must prioritize mental health in disability management.

Mental health impact on disability costs



500K Canadians miss work every week due to mental illness, costing companies **\$16.6B/Year**¹



Mental illness makes up roughly **30% of short- and long-term disability claims** but accounts for **70% of workplace disability costs**²



Mental health-related disability claims, both short-term (STD) and long-term (LTD), have been steadily rising, with **LTD claims increasing from 29% in 2014 to 37% in 2024**.³

Return on investment for mental health programs



Even a modest reduction in mental health-related long-term disability claims can result in notable decreases in disability insurance expenses.⁴



Companies with mental health programs saw a **\$1.62 return for every \$1 spent** rising to \$2.18 after three years.⁵

Building a healthier workplace: Essential tools and benefits

The benefits, tools and resources you offer your employees can have an impact. As you evaluate your workplace benefits plan, consider:



Employee assistance programs and access to mental health services



Virtual health care to alleviate access challenges and wait times



Wellness and prevention benefits, e.g., nutritionists or reimbursement for gym memberships



Group savings plans and financial education



Leadership training programs to build skills that contribute to a psychologically safe workplace



A well-structured disability management strategy to support employees in recovery and facilitate a successful return to work

Sources:

¹ "The ROI in workplace mental health programs: Good for people, good for business", Deloitte Insights

² "Workplace Mental Health: A Review and Recommendations", CAMH

³ "Canada Life claims data", 2024, Canada Life

⁴ "Workplace Mental Health: A Review and Recommendations", CAMH

⁵ "The ROI in workplace mental health programs: Good for people, good for business", Deloitte Insights