

Manager/Supervisor Risk Management

#35– 3/8/12

A twice weekly e-mail training for YCPARMIA members

TOPIC: WORKERS' COMPENSATION –TEMPORARY DISABILITY -- DOLLARS

Temporary disability operates to replace a portion of the wages that an injured worker might lose due to an industrial injury or illness. The injured worker does not receive their entire lost wages; the Labor Code establishes minimum and maximum rates of compensation.

TD payments to an injured worker are calculated at two-thirds of their weekly wage subject to both a maximum and minimum cap. The maximum weekly TD paid in 2012 is \$1010.50, while the minimum rate is \$151.57. This means if your weekly wage is over \$1,515.75 (\$78,819 per year) you will not be paid more than the maximum, \$1010.50. Conversely, no injured worker will receive less than the weekly minimum regardless of how low their weekly wage might be. A further example would be a worker making \$60,000 a year, or \$1,150.74 per week; their weekly TD payment would be two-thirds of their weekly wage, or \$767.16. The TD payment is a benefit, not income, so the amount is generally not taxable.

A few qualifiers are worth mentioning.

- Generally the TD rate in effect on the date of the injury is used regardless of subsequent rate changes by the State Legislature.
- An injured worker cannot collect TD while being paid their salary, and the employee cannot collect State Disability while being paid TD. Additionally, the Labor Code requires that the employee report any money earned from other sources while the injured worker is collecting TD.
- Some employers allow their injured works to make up the difference between their TD rate and normal salary by applying earned sick leave or vacation.
- Public safety employees (fire and most law enforcement) are not subject to the rate or cap for the first year as LC 4850 entitles them to up to one year of full salary while off work for an industrial injury or illness.
- Time off for doctor visits trigger TD benefits until the doctor declares the worker permanent and stationary; at that point TD benefits stop, and the time off would be treated like any other illness time-off.

YCPARMIA generally has about 300 open workers' compensation files at any given time. Over the last year we have been averaging about 18 injured workers per month receiving TD benefits – about 6% of our total open files. Most of these individuals are recovering from surgery or debilitating injury, and will transition back to full duty after a period of modified work within doctor established work restrictions. Over the last three years YCPARMIA has paid an average over \$476K per year in temporary disability benefits, and the trend has been increasing. We will use this as a segway to our next topic.

Next topic: Workers' Compensation – Temporary Disability – Accommodating Restrictions