

# Understanding benefits

## QUICK OVERVIEW

What an employee receives when injured on the job

### Workers' compensation in Minnesota

Workers' compensation is an insurance benefit employers provide for employees who become sick or injured because of their jobs. In Minnesota, workers' compensation is a "no-fault" system. Employees injured in work-related incidents are entitled to benefits regardless of who might be at fault.

Workers' compensation benefits may compensate injured employees for lost wages, as well as medical and rehabilitation bills. The benefits are intended to be temporary. The goal is to help out injured employees while they are recuperating, then help them return to work.

#### Paying for treatment

Workers' compensation benefits pay healthcare and medical expenses that are necessary and reasonable to treat the work-related injury. This includes examinations, treatments, prescriptions, supplies, equipment and reimbursement for mileage to medical appointments. State laws guide the extent of the treatment and the amount of the fees.

#### Compensating for lost wages

An employee who misses work or can't return to his or her original job because of an injury is considered disabled and eligible for benefits that replace part of his or her lost wages. These benefits are tax free. The amount of the benefit depends on the extent of the disability and how much the employee was earning.

#### Temporarily unable to work at all

An employee who is temporarily unable to work at all is eligible for temporary total disability benefits (TTD). She is paid two-thirds of her pre-injury average weekly wage at the

#### Example:

Sarah, a server in a restaurant, slips on a wet floor and badly sprains her wrist. Her doctor treats the sprain but she is unable to work for seven days. Sarah's benefits begin after the three-day waiting period, so she is paid TTD benefits for the last four days of recovery.

Pre-injury Weekly wage	TTD rate	Weekly TD	Work week	Daily TTD	Workdays covered by TTD	TTD benefit
\$600	X 2/3	= \$400	÷ 5	= \$80	X 4 days	= \$320

same intervals as her employer issues paychecks.

TTD benefits are subject to a three-day waiting period as well as minimums and maximums (see back). TTD benefits never go more than 130 weeks.

#### Temporarily unable to work at full wage

An employee who is temporarily unable to work at his or her pre-injury position but able to work in a transitional, reduced-wage job is eligible for temporary partial disability benefits (TPD). Typically, the employee is still recovering and under specific medical restrictions, so he or she is working in a modified or part-time position. After recovery,

the employee returns to his or her pre-injury job.

TPD benefits pay two-thirds of the difference between the pre-injury average wage and the reduced wage. Like TTD benefits, TPD is paid weekly or bi-weekly and is subject to the three-day waiting period and minimums and maximums. TPD benefits never go more than 275 weeks.

**Example:**

Tom, after a week off work for a back injury, is given his doctor's permission to return to work but is restricted from lifting heavy objects. His employer offers him an office position until he is able to return to his warehouse job. Although it pays less, he accepts the temporary position and is paid temporary partial benefits, which cover two-thirds of the lost earnings.

Pre-injury TPD	Post-injury Weekly	Lost Earnings	Weekly wage Rate	Weekly wage TPD benefit
\$600	- \$300	= \$300	X 2/3	= \$200

**Unable to work at all ever again**

An employee who is so severely injured he or she can never return to work is eligible for permanent total disability benefits (PTD). This pays two-thirds of an employee's average weekly wage until the presumed retirement age. PTD recipients often also receive Social Security disability benefits. The two benefit systems coordinate the combined weekly wage replacement amount paid to the recipient.

**Lasting physical impairment**

An employee who has sustained a permanent loss of function because of a work injury may be eligible for permanent partial disability (PPD) benefits. Sometimes there is a minimum PPD rating based on a condition, otherwise when an employee reaches maximum medical improvement, the point at which no further significant medical

improvement is expected, he or she may be given a permanent disability rating by a physician. State PPD schedules assign a disability rating based on the employee's functional loss. That rating is used in a statutory formula to determine the dollar amount paid to the employee.

Unlike wage-replacement benefits, PPD is a specific dollar amount a worker is entitled to regardless of

whether he can work again. PPD benefits are payable 30 days after an employee has returned to work or reached maximum medical improvement and TTD benefits have ceased, whichever is earlier.

**Example**

John, a residential construction worker, badly injures his knee at work. He undergoes surgery that takes out more than half the cartilage in his knee. He recuperates at home for several weeks before returning to work, but the knee will never be 100 percent. John is assigned a 2 percent permanent disability rating, for which he receives a \$1,576 PPD benefit. That's in addition to temporary total disability benefits he received during his recovery to compensate for wage loss.

**Wage-loss benefits are subject to two limits**

**Three-day waiting period.**

Three calendar days must pass before an injured employee is eligible for wage loss benefits. That means benefits begin four days after any disability resulting in lost time. However, if an employee is authorized off work by his or her physician for 10 or more days, benefits begin from the first day of lost time.

**Minimums and maximums.** Weekly wage loss benefits are subject to minimums and maximums established by state law.