



## ADMINISTRATIVE PRACTICES MANUAL

**SUBJECT:     WORKER'S COMPENSATION**  
**Coverage of Lost Wages**

### Policy Statement

It is the policy of Dane County to comply with the law that requires certain coverage of any wages employees lose due to work related injuries or illnesses. Dane County uses a Third Party Administrator ("TPA") to issue worker's compensation benefits. In addition, many of Dane County's collective bargaining agreements provide for a supplement to worker's compensation benefits awarded to regular full-time and regular part-time employees as set forth below. The supplement benefit is also extended to unrepresented employees in compliance with Dane County Ordinances.

### Definitions:

#### 1) Temporary Disability Benefits

- a) Temporary total disability (TTD) are benefits for the actual, but temporary, loss of current earnings during the healing period. TTD is paid when an injured worker is either (i) temporarily unable to return to any work, as indicated by his or her doctor, or (ii) is released to do light-duty work but Dane County is unable to find work that is consistent with the employee's restrictions and/or other obligations.
- b) Like TTD, temporary partial disability (TPD) are benefits for the actual, but temporary, loss of current earnings during the healing period. In general, TPD benefits equal TTD benefits less wages earned during the healing period.
- c) Eligibility for TPD/TTD is based upon the medical opinion of a physician. (Dane County has the right to a second medical opinion, and, therefore, eligibility for TPD/TTD may be effected when the treating physician disagrees with the second opinion).
- d) Dane County pays TPD/TTD until the employee has returned to work without restrictions or has reached an end of healing, whichever occurs first.

#### 2) Permanent Disability Benefits

- a) Benefits for permanent total disability (PTD) are paid if the employee is never expected to fully recover from the injury, and are intended to compensate for the potential or actual total loss of future earning capacity.
- b) Benefits for permanent partial disability (PPD) are paid if the employee is never expected to fully recover from the injury, and are intended to compensate for the potential or actual partial loss of future earning capacity.
- c) The amount of a PPD/PTD benefit payment depends on the severity of the permanent disability and upon the rate for the year of the injury.

### Calculation of Temporary Wage-Loss Benefits

1. Under worker's compensation law, there is a three (3) day waiting period for TPD/TTD benefits.
  - a. If a work related injury or illness causes three (3) days or less of wage loss, then the injured or ill employee is not entitled to wage loss benefits under worker's compensation law.



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### **Calculation of Temporary Wage-Loss Benefits (continued)**

- b. Dane County does make supplemental payments to regular full-time employees and regular part-time employees (but not Limited Term Employees) for lost wages incurred during the first three (3) days after a work related injury or illness.
  - c. TPD/TTD benefits are available to all employees beginning on the fourth (4<sup>th</sup>) day of lost time. In addition, if an employee experiences a work related injury or illness that extends beyond seven (7) calendar days, then the employee will be paid TPD/TTD benefits retroactively for the first three (3) days of lost time.
2. All employees who experience a work related injury or illness which continues for more than three (3) days are entitled to receive 66.67% of their gross wages (up to the statutory maximum), tax free, during the healing period as worker's compensation benefits.
- a. In addition, Dane County's regular payroll system issues a second check (often referred to as a "supplemental check") to regular full-time employees and regular part-time employees. This second check is in the amount equal to the difference between the required worker's compensation benefits and the employee's gross salary, less taxes. Dane County issues these supplemental checks until the employee reaches end of healing, or for a period not to exceed 180 calendar days, whichever comes first.
  - b. Limited Term Employees are not eligible for the supplemental payments.

**END OF NARRATIVE**