



WORKER'S COMPENSATION

SOCIAL SECURITY DISABILITY

ALASKA WORKER'S COMPENSATION ACT

STATE WIDE INSURANCE POLICY
COVERS ALL EMPLOYEES

WORKERS' COMPENSATION INJURIES ARE LIMITED TO JOB REALATED INJURIES

- INJURIES ON THE JOB
- INDUSTRIAL EXPOSURES.

WORKERS' COMPENSATION BENEFITS

- MEDICAL BENEFITS
- TEMPORARY TOTAL DISABILITY
- PERMANENT PARTIAL IMPAIRMENT
- RETRAINING BENEFITS
- PERMANENT TOTAL DISABILITY

MEDICAL BENEFITS

- PAYS ALL REASONABLE AND NECESSARY AND RELATED MEDICAL TREATMENT
- GOOD SOURCE FOR SOCIAL SECURITY CASES
- MANY TIMES THE EXPERT OPINIONS MAY HELP .

COMPENSATION

- TEMPORARY TOTAL DISABILITY
- PERMANENT PARTIAL IMPAIRMENT
- STIPEND DURING RETRAINING
- PERMANENT TOTAL DISABILITY

TEMPORARY TOTAL DISABILITY.

- WEEKLY COMPENSATION AT APPROXIMATELY 60% OF WEEKLY WAGE
- PAID DURING THE COURSE OF RECOVERY
- TERMINATES EITHER WHEN THE PERSON IS MEDICALLY STABLE OR WHEN PERSON RETURNS TO WORK WHICH EVER IS EARLIER.

PERMANENT PARTIAL IMPAIRMENT

- PHYSICAL IMPAIRMENT OF THE BODY AS A RESULT OF THE INJURY
- IS NOT DISABILITY
- RATED ACCORDING TO THE AMA GUIDELINES 6TH EDITION
- PERCENTAGE OF IMPAIRMENT X
\$177,000.00

RETRAINING

- IF THE EMPLOYEE CAN RETURN TO WORK THEN PPI IS PAID IN A LUMP SUM
- IF CANNOT RETURN TO WORK AND IS ELIGIBLE FOR RETRAINING THEN PPI IS PAID OUT EVERY TWO WEEKS AT THE WEEKLY COMPENSATION RATE
- COSTS OF RETRAINING TOTAL \$13,300.00 AND THE PROGRAM CAN LAST TWO YEARS

STIPEND

- IF PPI IS EXHAUSTED DURING RETRAINING TIME THEN STIPEND IS PAID UNTIL THE END OF THE PROGRAM
- STIPEND IS APPROX 12% LESS PER WEEK THAN THE COMPENSATION AMOUNT.

PERMANENT TOTAL DISABILITY

- PERMANENT TOTAL DISABILITY IS WHEN THE EMPLOYEE CANNOT DO ANY WORK THAT IS AVAILABLE IN THE ECONOMY.
- THERE IS NO KIND OF INJURY WHICH AUTOMATICALLY GET PTD HOWEVER SEVERAL INJURIES SET UP A PRESUMPTION OF PTD.
- PTD IS PAID DURING THE LIFE TIME OF THE EMPLOYEE
- STOPS AT DEATH OR RETURN TO WORK

SOCIAL SECURITY OFFSET

- APPLIES TO TEMPORARY TOTAL DISABILITY, PERMANENT TOTAL DISABILITY
- DOES NOT APPLIE TO PPI, STIPEND

SOCIAL SECURITY DISABILITY OFFSET

- 80% OF THE SPENDABLE WEEKLY WAGE
- ADD INITIAL MONTHLY SSD MONTHLY EQUIVALENT OF COMPENSATION
- DETERMINE MONTHLY EQUIVALENT (WEEKLY COMPENSATION X 52 /12)
- EXCESS OVER 80% IS THE OFFSET
- NO OFFSET AS TO SSI

SOCIAL SECURITY OFFSET

- WAS MEANT TO BE A REVERSE OFFSET
- Once Initiated SSA could not offset.
- FOR YEARS SSA REFUSED TO RECOGNIZE THE REVERSE OFFSET BUT INSTEAD WOULD OFFSET AGAINST THE REDUCED COMPENSATION
- RECENTLY SSA FINALLY HAS RECOGNIZE ALASKA AS A TRUE OFFSET.

SOCIAL SECURITY ALASKA OFFSET

- POMS DI 52120_010
- Temporary Total- Reverse Jurisdiction Applies
- Temporary Partial Reverse Jurisdiction Applies
- Permanent Impairment Reverse Jurisdiction Does Not Apply
- Permanent Total Reverse jurisdiction applies.
- Reemployment Benefits Reverse jurisdiction does not apply

Social Security Disability

- Social Security disability benefits can be offset by worker's compensation benefits
- Section 224 of the Social Security Act (42 USC 424a) places a ceiling on combined Social Security disability benefits and State workers' compensation benefits.
- Statute: Social Security benefits " shall be reduced" by the amount necessary to ensure tha the sum does not exceed 80% of the pre- disaiblity average current earnings.
- Offset applies until the claimant reaches 65 years of age or WC payments end.
- Offset affects low income workers more often, and more dramatically, than higher income workers.

Social Security Offset

- Continues until the claimant receives retirement Social Security
- Offset against Retirement Social Security Disability.
- Usually affects low income person more often and more harshly.

Supplemental Security Income

- Income paid to individual who has not paid into the SSA sufficiently to get SSD
- Requirement for SSD . Claimant must have paid into SSA 20 out of the past 40 quarters .
- SSD requires person must be initially disabled as of the last date of insured.
- If not then can only get SSI.

SSI

- Workers' Compensation Is Considered Income for SSI reduction.
- Lump Sum Payments Of Workers' Compensation.

Calculation of Offset

- Three factors determine offset:
 - 1. Monthly workers' compensation benefit
 - 2. Monthly Social Security disability Benefit
 - 3. Average current earns (ACE)
- 1 & 2 cannot exceed $.8 * ACE$
- POMS DI 520001.600

Example:

- 1. Weekly workers' compensation benefit is \$341.76 per week or \$1,480.90 per month.
- 2. SSD Benefit is \$970.00
- 3. Annual prior earnings \$26,929.00 so the ACE is \$26,929.00 divided by 12 or \$2,244 per month
- 4. 80% of the ACE is \$1,795.20

Calculation:

- 1. Subtract monthly worker's compensation benefit from 80% of ACE;
- $\$1,795. - \$1,480 = \$315$. Represents maximum Social Security disability benefit.
- 2. Compare the maximum Social Security benefit to the current disability benefit.
- $\$970 - \$315 = \$615.00$ monthly offset.

Calculation W/C Offset

- 80% of Gross Weekly Wage is maximum allowed for receipt of weekly compensation and the weekly equivalent of SSD.
- W/C 341.76 = GWW of \$493.00
- Weekly Equivalent of SSD is $\$970 \times 12/52 = \223.84 .
- 80% of \$493.00 is \$394.00.
- $\$394.00 - \$223.84 = \$170.56$
- SSD offset is $\$341.76 - \$170.56 = \$171.20$
- Reduction is \$171.20 per week.

Offset Calculation

- 1. Both W/C compensation and SSD have upper limits. W/C upper limit is \$1,092.00 per week.
- 2. SSD \$2,366.00
- 3. If a person in the year before injury made \$120,000 . \$10,000.00 per month or \$2,307.69 per week.

Offset Calculation

- 1. Maximum SSD $\$2,366.00 \times 12/52 = \546.00
- 2. Maximum compensation rate = \$1,062.00 per week.
- 3. 80% of \$2,307.69 = \$1,846.15.
- 4. $\$1,846.15 - \$546 = \$1300.15$
- 5. 0 offset.

Calculation of Offset

- 1. AME = \$10,000
- 2. 80% of AME = \$8,000.00
- 3. W/C Monthly Equivalent = \$4,602.00
- 4. SSD Maximum \$2,366.00
- 5. \$8,000 - \$4,602.00 = \$3,398
- 6. 0 offset.