

EMPLOYER FACTS

What is Worker's Compensation?

Worker's Compensation is a system of no-fault insurance that pays benefits to employees for injury or disease related to the employee's work. In return for prompt and certain payment of benefits to an employee, an employer's liability is limited. Most Wisconsin employers are required by law to have worker's compensation insurance, including:



- Employers employing three or more workers,
- Employers employing one or more workers and who pay gross, combined wages of \$500 or more in any calendar quarter for work done in Wisconsin, and
- Farmers employing six or more workers on any 20 days during a calendar year.

Scan the code below to learn more about **Worker's Compensation Insurance Requirements**.

Independent Contractors



There are special provisions in the law covering independent contractors. An independent contractor, sub-contractor, or owner/operator may actually be a statutory employee of the employer for whom they work for, unless they meet the Worker's Compensation test.

Scan the code below to learn more about **Independent Contractors vs. Employees**.

Sole Proprietors, Partners, and Limited Liability Companies

Sole proprietors, partners, and members of limited liability companies are not considered employees. Generally, policies exclude these individuals from worker's compensation coverage unless they are specifically endorsed to include them.



Corporations

Corporate officers are employees. Corporations with no more than 10 stockholders, may not exclude more than two officers from insurance coverage. If a corporation has no more than two corporate officers and has no other employees, a worker's compensation policy is not required if both officers elect not to carry coverage. However, this election must be filed with the Worker's Compensation Division.

Scan the code below to learn more about **Sole Proprietors**.

Self-insured entities pay claims using their own funds rather than purchasing insurance. To self-insure, employers must receive written approval from the Worker's Compensation Division.

*Benefits Paid to Wisconsin Workers Injured on the Job

- All reasonable and necessary medical costs
- Lost time benefits for wage loss due to temporary disability
- Benefits for permanent disability depending on severity
- Job retraining or placement
- Death benefit and burial expenses

Benefit limitations and maximums may apply.



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Employer Responsibilities

- You pay for worker's compensation insurance.
- You may not withhold, deduct, or collect premiums from your employees.
- Your employees cannot waive their rights to worker's compensation insurance.
- You must report any claim of injury to your insurance carrier within seven days.
- You must report, by phone, all work-related fatalities to your insurance carrier and the Worker's Compensation Division within 24 hours.
- You may not unreasonably refuse to rehire an injured employee if suitable employment is available. However, you are not required to hold or create a job for an injured employee.



Penalties

If you fail to obtain the required coverage, the Worker's Compensation Division may order you to cease operations until coverage is obtained. The penalty for any lapse in worker's compensation coverage is twice the amount of the premium not paid during the lapse or **\$750**, whichever is greater.

Injury Without a Policy

When a valid claim is filed by an employee who was injured while working for an illegally uninsured employer, the Uninsured Employers Fund (UEF) pays the benefits as if the uninsured employer had been insured. **The uninsured employer is required to reimburse the UEF all costs of the paid claim.** Aggressive collection actions may be taken to ensure reimbursement, including warrants, levies, garnishment, and execution against property.

Failure to File a Report of Injury

If you intentionally fail to file a report of injury, you may be assessed a penalty up to 200% of the compensation due (\$30,000 max).



Injured employees have the right to:

- Select any physician or care provider unless there is an emergency.
- Select a provider of second choice through notice to the employer or insurer.

Employers may require injured employees to:

- Submit to reasonable medical examinations for the purpose of reviewing claims for compensation.
- Treat in state for their injuries unless the employee can obtain a referral from an in-state provider.

Report Suspected Fraud

- ! If you suspect fraud from an employee, employer, medical provider or insurance carrier, you may report it to the Worker's Compensation Division.

Questions?

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Worker's Compensation Division
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