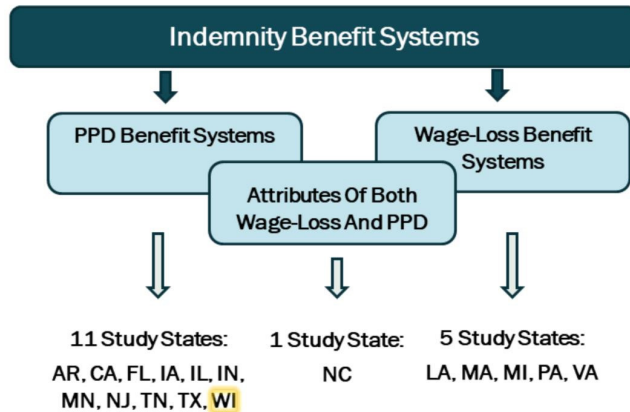


General Classification Of Indemnity Benefit Systems: Wage-Loss Versus PPD States



© WCRI 2024

35



In the CompScope™ studies, we generally classify states into two groups—wage-loss benefit systems and PPD benefit systems—based on different approaches used to compensate income loss due to work-related injuries.

In a wage-loss benefit system, workers typically continue to receive TD benefits as long as they experience wage loss because of the work-related injury. PPD benefits are typically paid for scheduled injuries only. Unscheduled impairments are typically compensated only if workers actually experience a wage loss or a loss of wage-earning capacity.

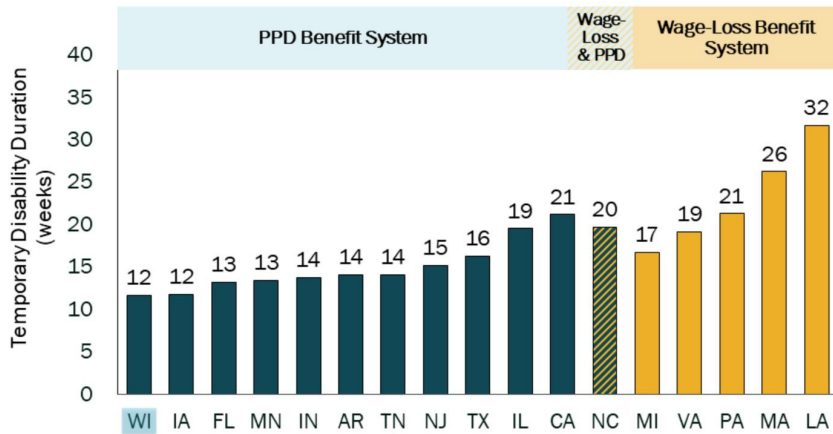
In a PPD state, by contrast, TTD benefits typically end when the worker reaches maximum medical improvement (MMI) and the worker may be entitled to PPD benefits. Typically, PPD benefits in these states cover most or all impairments, including unscheduled impairments.

One state, NC, has aspects of both a wage-loss system and a PPD system. In NC, a worker who has not returned to work at the end of the healing period either continues to receive TTD benefits (as in a wage-loss benefit system) or elects to receive PPD benefits based on an impairment rating. A worker who has returned to work at full wages can receive PPD benefits (as in a PPD system).

Key: **PPD:** Permanent partial disability. **TD:** Temporary disability, includes temporary total disability (TTD) and temporary partial disability (TPD).

Note: See the [glossary](#) for definitions of scheduled and unscheduled injuries.

WI Duration Of Temporary Disability Per Claim Among Shortest Of All Study States



2020/23 Non-COVID-19 Claims With >7 Days Of Lost Time, Adjusted For Injury/Industry Mix And Wages

© WCRI 2024

36



In the absence of direct observations of each worker's postinjury employment experience, we rely on a measure of the average number of weeks of temporary disability payments as a proxy for return to work. This measure reflects the duration of both temporary total and temporary partial disability benefits.

At an average of 12 weeks, duration of temporary disability in Wisconsin was among the shortest of all study states. System features contributed to that result: these are related to [terminating or modifying TTD](#) and [PPD benefits](#), and the [dispute resolution process](#).

In general, the duration of disability is likely affected by state-specific rules about terminating temporary disability benefits—for example, benefits can be terminated unilaterally or a hearing is required before benefits can be terminated. In addition, the speed of the dispute resolution process likely affects the duration of temporary disability. Some study states have [limits on duration of TD](#).

Key and definition: **Duration of temporary disability:** Average length of time for which temporary disability benefits were paid to workers. This metric is inversely related to the timeliness and ease of return to work. **PPD:** Permanent partial disability. **TD:** Temporary disability, includes temporary total disability (TTD) and temporary partial disability (TPD).

Note: See a [general classification](#) of indemnity benefit systems: wage-loss versus PPD states.