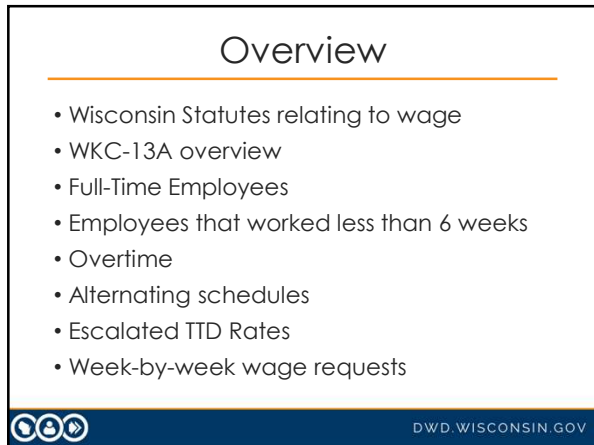
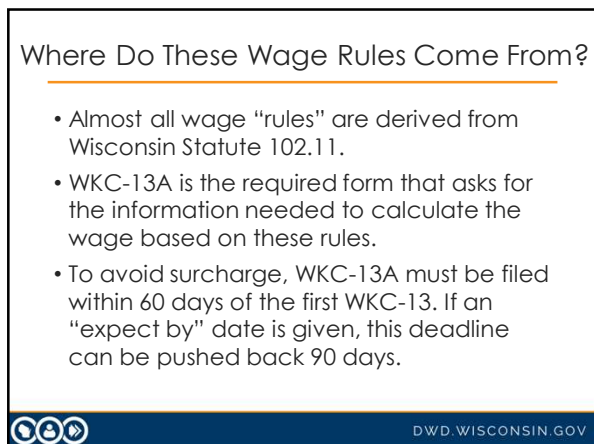


1




2



3

Wage Investigation

- About 30% of WKC-13As (roughly 8,000 claims/year) filed will be put into "Wage Investigation."
- Of that 30%, about half will stay the same.
- Don't panic, we will let you know if we need more information.
- Once a claim is in Wage Investigation, only we can take it out of investigation. Submitting more WKC-13As will not change that.


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Calculating Average Weekly Wage

Average Weekly Wage will be based on the greater of:

$$\begin{matrix} \text{Hourly} & & \text{Hours} \\ \text{Rate} & \times & \text{Per} \\ & & \text{Week} \end{matrix}$$

OR


$$\begin{matrix} \text{Gross} & & \text{Weeks} \\ \text{Earnings} & \div & \text{Worked} \end{matrix}$$


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Hourly Rate


- Hourly Rate entered should be the rate the employee was earning at the time of injury.
- Break down any set rates of pay (weekly, monthly, salary) to an hourly rate.
- Include shift differential (additional amounts employer pays for working nights & weekends) in hourly rate if employee was earning it at time of injury.
- Hourly rate must be at least minimum wage.
 - \$7.25 per hour or \$2.33 per hour with tips


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Hours Per Week


- Number of hours the employee is regularly scheduled each week.
- Full-time workers are assumed to be working 40 hours per week.

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Gross Earnings

- Total gross taxable earnings the claimant earned in the 52-week period immediately prior to the week of injury.
- Do not include earnings from week of injury unless claimant was injured on a Friday or Saturday - then it can be included.
- Include any bonuses.


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Gross Earnings (cont.)

Do not include in gross earnings:

- Any weeks where the claimant has disability earnings, FMLA, or TTD/TPD from a previous claim;
- Tips (added in separately);
- Non-taxable earnings (reimbursements, per diem, etc.)

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Weeks Worked

- Total number of weeks worked in the 52 weeks prior to the week of injury.
- Weeks start on Sunday, end on Saturday.
- A week should be counted if any part of a week was worked (except the week of injury).
- Hours paid in lieu of work, such as vacation, holiday, or personal time should be included as "worked."



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Less Than 6 Weeks

- If an employee has worked less than 6 weeks, gross earnings cannot be used to determine AWW.
- AWW will only be based on the Hourly Rate x Hours per Week.



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Overtime

- Overtime should be paid at time and a half to employees if they have worked more than 40 hours in one week.
- Overtime should only be included in 'Hours Per Week' if they regularly work that schedule.
- If random amounts of overtime are worked each week, overtime would NOT be included in 'Hours Per Week,' but all overtime earnings would still be included in 'Gross Earnings'.
- The 'Hourly Rate x Hours Worked' equation turns into:

$$\begin{aligned} & \text{(Hourly Rate x Regular Hours Worked)} \\ & + \text{(OT Rate x OT Hours Worked)} \end{aligned}$$




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Alternating Schedule

- If the claimant works an alternating schedule every two weeks (with no overtime either week), the hours per week entered would be the average of the two weeks.
- If the claimant works an alternating schedule with overtime, the regular hours would be averaged separate from the overtime hours.


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TTD & PPD Rates

- TTD & PPD rates will be set at 2/3 of the AWW until it gets to the max rate.

2020 Max Rates
 AWW: \$1,576
 TTD: \$1,051
 PPD: \$362

- If the claimant is younger than 27 years old, PPD will automatically be set to max rate.


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Escalation

- If there is a renewed period of TTD or TPD two years after the date of injury, the TD rate used will be escalated in proportion to the current max rate.

Example:

	TTD	Max TTD	Percent
2014	\$300.00	\$892.00	33.63%
2020	\$353.48	\$1051.00	33.63%


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Request for Week-by-Week Wages

WC CLAIM NO: 9999-999999 IF YOU CALL OR WRITE US
 INJURY DATE: 01/01/98 PLEASE USE WC CLAIM NO.
 EMPLOYEE: SIMPLE-SAMPLER, TESTER SAMPLE
 EMPLOYER: SAMPLE EMPLOYER
 INSURER NO:


We received wage information that indicates the average weekly wage used for computing the TTD/PPD rate(s) may be incorrect. Please submit the following information for verification of the correct average weekly wage:

- A week-by-week listing of gross taxable earnings for the 52-week period starting immediately prior to the week in which the injury occurred. Include earnings for overtime, bonuses, incentive or performance pay, commissions and all other taxable earnings excluding tips.
- If the employee received tips, send a week-by-week list of the tips reported.
- If the employee worked for this employer less than 52 weeks prior to the week of injury, list earnings from the date of hire.

If you do not reply to this request for wage information within 30 days we may assess a surcharge of \$100 in accordance with s.102.35(1), Wis. Stats.

If you have questions or need help please contact us by calling (608) 266-1340 and then ask for a wage analyst.

Thank you for your assistance in assuring correct compensation payments!




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Why Would We Request This?


- The number of weeks worked entered on the WKC-13A is impossible according to the Date of Hire and Date of Injury.
- The quarterly gross earnings the employer reported to UI is significantly different than what was reported on the WKC-13A.
- Something just doesn't look right:
 - Gross is very high or low
 - Weeks are very high or low
 - No tips reported for a job that typically gets tips



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Questions?



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Everyone Gets Paid Full-time


- 102.11(1)(a)3: "The average weekly earnings shall be arrived at by multiplying the employee's hourly earnings by the hours in the normal full-time workweek as established by the employer."
- LIRC: "The general rule is that part-time hours are expanded to full-time hours for that employment for purposes of determining the statutory average weekly wage."

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Except...


- Members of a class of regularly scheduled employees
- Employees who self-restrict to part-time work on the labor market

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Part of Class


- “A regularly-scheduled class of part-time employees”
- 4 requirements to be “part of class”
 1. Member of a class of employees doing the same type of work at the same location;
 2. 10% of workforce doing the same type of work are members of this regularly-scheduled class;
 3. Must have more than one employee; and
 4. Keep a regular schedule - minimum and maximum hours over 13 weeks do not vary by more than 5


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Example

- Company has 200 total employees.
- For this company to have a class of regularly-scheduled part-time employees:
 - At least 20 of their employees would need to be doing the same job, and
 - All work the same number of scheduled hours each week.


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Send a list (or punch detail) of the number of hours the claimant worked during each of the 13 weeks prior to the week of injury. Hours paid in lieu of work, such as vacation, holiday, or personal time, should be included. Do not send earnings in lieu of hours.

For full time employees, attach the weekly list of hours or the punch detail to this letter and return.

For part time employees, if you are conceding an expansion to full time you may either:

Check here and return this letter or,


Use the e-mail reply feature on the Insurer's Pending Report system to inform us that you are conceding an expansion to full time.
http://dwd.wisconsin.gov/wc/insurance/pending_rpts.htm

If the employee is part time and you are *not* conceding an expansion to full time, attach the weekly list of hours or the punch detail to this letter and return.

The list of hours or punch detail cannot be sent via the pending report, but can be sent to the Fax Imaging Server at (608) 260-2503.

If we do not receive a reply within 30 days we will assume that the part time employee did not work a regular schedule as defined by s. 102.11(1)(am) 2 Wis. Stats.

Department of Workforce Development
Worker's Compensation Division



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Is this a regular schedule?

- Week 1 – 25 hours
- Week 2 – 25 hours
- Week 3 – 20 hours
- Week 4 – 25 hours
- Week 5 – 25 hours
- Week 6 – 26 hours
- Week 7 – 25 hours
- Week 8 – 25 hours

- Minimum 20
- Maximum 26
- NOT a regular schedule, so not a part of class




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Is this a regular schedule?

- Week 1 – 19 hours
- Week 2 – 20 hours
- Week 3 – 21 hours
- Week 4 – 22 hours
- Week 5 – 23 hours
- Week 6 – 24 hours
- Week 7 – 25 hours

- Minimum 19
- Maximum 25
- NOT a regular schedule, so not a part of class




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Is this a regular schedule?

- Period 1 – 70 hours
- Period 2 – 66 hours
- Period 3 – 72 hours
- Period 4 – 64 hours
- Period 5 – 72 hours
- Period 6 – 68 hours

- Minimum 64
- Maximum 72
- For biweekly pay periods, we look for a variance of 10 hours
- This is a regular schedule. Pending other requirements, may be a part of class




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Expansion


- Part of class
 - Expanded to 24 hours OR regularly scheduled hours
 - Whichever is greater
- If not a part of class, hours are expanded to full-time (presumed 40 for most workers)
- Gross earnings always apply if average actual earnings are higher than hourly rate x scheduled hours


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Self-restriction


- Way to reduce expanded hours to average actual earnings or to regularly scheduled hours
- Voluntary for employee to fill out
- Restrictions and exceptions on when it can be applied
- Only applies to temporary disability benefits (NOT PPD)


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Self-restriction

- Employees who restrict themselves to part-time work on the labor market are eligible to have restricted claims
- Must voluntarily restrict to part-time work at the time of injury
- Must be signed by employee (or legal guardian)
- Restricted rate is paid at 100% of regular schedule or average actual earnings, whichever is higher
- Can only be applied by a wage analyst


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TEST INSURER 2
 C/O TEST INSURER 2
 123 JENNIFER ST
 MADISON WI 53703

WC CLAIM NO: 9999-999999 IF YOU CALL OR WRITE US
 INJURY DATE: 01/01/98 PLEASE USE WC CLAIM NO.
 EMPLOYEE: SIMPLES-SAMPLER, TESTER SAMPLE
 EMPLOYER: SAMPLE EMPLOYER
 INSURER NO:

You advised us that you are paying worker's compensation benefits at 100% of the employee's actual wage. This is correct if at the time of the injury the employee restricted his or her availability to part-time work and was not employed elsewhere.

However, you did not include the required self-restriction statement from the employee. Please send us a self-restriction statement immediately.

If we do not receive a reply within 30 days, we will assume that the employee did not self-restrict and we will increase the weekly rate to either two-thirds of the wages for 24 hours of work (if the employee was part of a class at the time of injury) or two-thirds of the wages for full-time work (usually 40 hours).

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EMPLOYEE NAME:
 EMPLOYEE S.S. #:
 DATE OF INJURY:


This form is needed to properly compute the wage for your Worker's Compensation benefits. Please answer the following questions, sign, date and return to your insurance carrier or self-insured employer.

1. At the time of your injury, did you limit your availability in the labor market to part-time work or to work only with the employer where you were injured?
 Yes No
 If yes, explain your limitation:

2. At the time of your injury, were you also employed by another employer or self-employed?
 Yes No
 If Yes, please provide us with the name and address of your other employer below:
 Employer Name:
 Employer Address:

Signed _____ Phone Number: (_____) _____
Area Code


Dated _____

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Self-restriction Eligibility


- Cannot have two jobs
- If no regular schedule, must have worked at least 6 full weeks
- Cannot raise TTD rate
 - Recent part-time workers, or those who keep high number of hours, may not be eligible
 - If you receive an error that employee cannot restrict, this is usually why
- Self-restriction does not affect the PPD rate. PPD will be calculated based on a non-restricted AWW

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Eligibility (cont.)


- AWW: \$522.94
- TTD: \$348.63
- PPD: \$348.63
- Earned \$27,192.88 in 52 weeks
- Employee keeps a regular schedule of 20 hours per week
- \$20.00 per hour
- Cannot restrict, as actual earnings per week are higher than TTD rate


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Eligibility (cont.)

- AWW: \$650.00
- TTD: \$433.33
- PPD: \$362.00
- \$16.25 per hour
- No regular schedule
- Earned \$26,000.00 in 52 weeks
- Cannot restrict since \$26,000.00 divided by 52 is \$500.00 and is higher than TTD rate



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Eligibility (cont.)

Cannot accept self-restriction forms that:

- Reference the injury as a reason
 - "Doctor said I couldn't work full time"
- Reference not being able to find full-time work
 - "Employer only had part-time work available"
- Aren't signed by the employee (or legal guardian)
- Are coercive or misleading
 - Must give an option to select yes or no
 - Cannot imply stoppage of benefits if not filled out


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Determining (TPD) Wage

- When AWW is based on expanded hours, the TPD wage is used to calculate actual wage loss
- Use actual average weekly wages OR regular schedule x hourly rate at time of injury, whichever is higher
- TTD rate remains 2/3 of expanded AWW
- Only part-time claims with expanded hours have a TPD wage different from AWW



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TPD Based on Actual Earnings

- 51 year old warehouse worker
- \$12.00 per hour
- Variable schedule
- \$3,000.00 earned in 10 weeks
- Regular full-time employees work 40 hours



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TPD Based on Actual Earnings

- AWW: \$480.00
- TTD rate: \$320.00
- PPD rate: \$320.00

- TPD wage is based on earnings of \$3,000.00 earned over 10 weeks
- TPD wage: \$300.00




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TPD with Regular Schedule

- 51 year old warehouse worker
- \$12.00 per hour
- Regular schedule of 30 hours per week
- No other part-time workers
- \$3,000.00 earned in 10 weeks
- Regular full-time employees work 40 hours




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TPD with Regular Schedule

- AWW: \$480.00
- TTD rate: \$320.00
- PPD rate: \$320.00


- TPD wage is based on \$12.00 per hour x regular schedule of 30 hours
- TPD wage: \$360.00



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Questions?




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Stretch Break Time!

Stand up and move around a little!

Return in 5 minutes, please

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Exceptional Basis of Pay

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Exceptional Basis of Pay

- These are specific careers that may have particular rules that calculate their AWW differently from other jobs.
- On the WKC-13A, select the "Exceptional Basis of Pay" scenario from the drop down box on Section 1, Number 5.

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All of the "Exceptional" Scenarios

Coach - Only	Newspaper Carrier - PT	School Bus Driver - PT
Commission Only - FT	Other	School Crossing Guard - PT
Commission Only - PT	Paid By The Mile - FT	Sheltered Employee - PT
Flight Attendant - PT	Paid by The Mile - PT	Sole Proprietor (Business Owners)
K-12 Cafeteria Worker - PT	Prisoner	Taxi Cab Driver
K-12 Teacher and Coach	Pro & Semi-Pro Athlete	Trucker - Owned Truck
K-12 Teacher Only	Pulp Cutter	Volunteer Fire Fighter/ EMT



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Assuming Part of Class

- Some of these Exceptional Employment options assume an employee is a Part of Class regardless of the number of other employees working there.
- If they do not keep a schedule, though, they will lose their Part of Class status.



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Commission-Only & Paid by the Mile

- These workers have no set rate of pay – they are paid on commission or by the mile.
- If they are full time, AWW is based on their gross/weeks worked. Hourly rate x hours would not be considered.
- If they have worked less than 6 weeks (i.e. cannot use gross), send similar wages of a like employee
- If they are part-time, hourly rate is calculated by dividing gross earnings by hours worked.




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Teachers/School Workers

- Remember, the number of weeks entered on the WKC-13A is the weeks worked. Teachers typically work 38 weeks.
- Paychecks do not reflect the number of weeks worked. Teachers can opt to have their contract paid out throughout the school year (38 weeks) or the whole year (52 weeks).
- Depending on how much of the contract has been worked, the gross earnings of teachers who have worked less than a year may not match the earnings shown on their paychecks

See example on next slide.




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Teacher Example

TEACHER A	TEACHER B
<ul style="list-style-type: none"> Contract: \$38,000 for 38 weeks of work Paychecks issued over 38 weeks (\$1000/week for 38 weeks) Injured halfway through school year, fulfilling 50% of contract Paychecks show gross of \$19,000 	<ul style="list-style-type: none"> Contract: \$38,000 for 38 weeks of work Paychecks issued over 52 weeks (\$730.77/week for 52 weeks) Injured halfway through school year, fulfilling 50% of contract Paychecks show gross of \$13,884




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Business Owners

- AWW based on Net Profit reported on their taxes for the tax year prior to year of injury.
- Typically reported on either Schedule C or Schedule K-1. We will ask you to provide a copy of this.
- Minimum wage (AWW: \$290) is the lowest we will set their AWW.
- If owners refuse to furnish the proper tax documents, wage will be set to minimum wage.



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Volunteer/Paid On-Call Firefighters and Emergency Rescue Workers

- AWW set to the maximum rate for the year of injury or we will accept full-time wages from the nearest full-time/career fire department.
- When submitting WKC-13A, note which fire department you contacted to obtain the full-time wages.
- Refer to handout for more detailed information on why we handle volunteer rescue worker wages this way.



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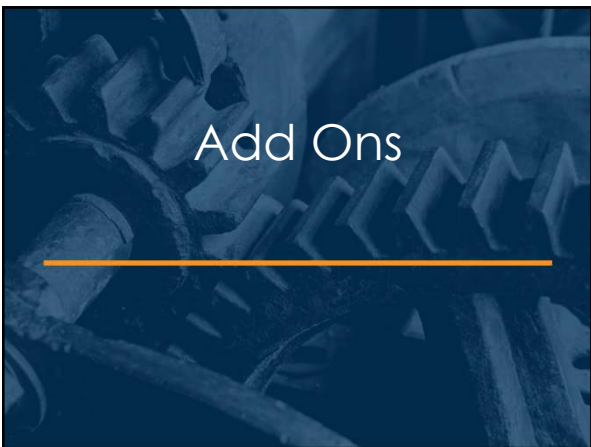
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Add Ons



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Overview

- Piecework
- Seasonal Employment
- Tips
- Room and Board


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Piecework

Piecework:


- Any job performed without an hourly rate;
- Workers are paid by their production;
- Frequently seen in manufacturing and construction;
- Can also occur with jobs like dog groomers;
- Any job where someone is paid for a task instead of for time worked

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Piecework (cont.)


- Piecework pay is turned into an hourly rate based on total earnings and hours worked
- Determine the hourly rate by dividing the total regular earnings within the prior 52-week period by the number of hours worked
- Part-time workers: keep track of hours actually worked; otherwise, AWW cannot be calculated

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Seasonal Employment


- Seasonal work is not someone working part-time around the holidays, or most summer jobs when not in school.
- Seasonal employment is work which can only be done at certain times of the year and does not cover a period of more than 14 weeks.
- Seasonal employment is usually connected with the canning industry, but is also used for harvesting (cranberries, ice, Christmas trees, apples, etc.)


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Seasonal Employment (cont.)


- In seasonal work, the number of hours worked per week can vary wildly, so Department policy is to use 44 hours as an approximation.
- A 44-hour week is used as a reasonable average. Hourly rate x 44 sets the AWW. Gross earnings are not considered at all.


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Additional to Cash Wage - Tips


- Tips are calculated in addition to hourly rate.
- Tips must be reported by either employee or employer and must be taxed to be considered in the AWW.
- When reporting gross earnings on the WKC-13A, do not include tips.


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Tips (cont.)


- Calculate actual tips per week and actual hours worked per week to determine tipped hourly rate.
 - Only count hours where tips were possible if multiple positions were worked
- Tipped hourly rate is added to base rate earned at the time of injury.
- For cab drivers with no tips reported, Department policy is to add 15% in lieu of tips.

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Addition to Cash Wage – Non-cash Payments


- Non-cash wages are not included in calculating the AWW if the benefits are continued.
- If the benefits are not continued, then their equivalent value is effectively added to the gross earnings.
- For varying payments such as utilities or phone plans, count the actual amount paid over the previous 52-week period.

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Addition to Cash Wage – House or Apartment

- Employer to determine value. Check if housing is shared; value of housing is total cost of rent or mortgage payments divided by number of people in the household.
- See if utilities, telephone, etc. are included in the contract for hire. If so:
 - Divide payment (total cost or monthly rate) by number of weeks. Included in section 3 of WKC-13A.

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Additional Items of Value - Room and Board

- Room and Board is set by DWD 272.03 for minimum wage.
- As with other non-cash benefits, does not need to be included in AWW if the benefits are continued.
- Discounted meals are not counted.



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Wisconsin Maximum Allowances for Board and Lodging

Effective July 24, 2009
Non-Agricultural Employment

	Non-Opportunity Employees	Opportunity Employees
Meals	\$87.00 Per Week \$4.10 Per Meal	\$70.00 Per Week \$3.35 Per Meal
Lodging	\$58.00 Per Week \$8.30 Per Day	\$47.20 Per Week \$6.75 Per Day

Agricultural Employment

All Employees	
Meals	\$87.00 Per Week \$4.10 Per Meal
Lodging	\$58.00 Per Week \$8.30 Per Day

Camp Counselor Employment

Weekly Salary for All Employees (Adults and Minors)

	Board & Lodging	Board Only	No Board or Lodging
Salary Rates	\$210.00	\$265.00	\$350.00

When board or lodging provided by an employer is accepted and received by an employee, the employer is permitted to deduct up to the above amounts from the worker's paycheck. The amounts deducted are used to determine if the employee is receiving the required minimum wage rates.



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Questions?

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