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## Basics of Wage

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1

| Overview |
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| - Wisconsin statutes relating to wage <br> - Calculating wages <br> - Temporary total disability (TTD) and permanent partial <br> disability (PPD) <br> - Full-time vs. part-time employees <br> - Wage Variants <br> - Practice Problems <br> (O) <br> DWD.wISCONSIN.GOV |

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## Where Do Our Wage Rules Come From?

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- Almost all wage "rules" are derived from Wisconsin statute 102.11.
- Wage Information Supplement (WKC-13A1) is the $\qquad$ required form that asks for the information needed to calculate the wage based on these rules. $\qquad$
- To avoid a surcharge, WKC-13A1 must be filed within 60 days of the first WKC-13. If you are unable to get the needed information by then, an "expect by" date can be pushed back 90 days.

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| Hours Per Week |
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| - Number of hours the employee is regularly scheduled <br> each week. If 35 or more hours per week, employee is <br> considered to be full-time. <br> - Full-time workers are assumed to be working 40 hours per <br> week. <br> - For employees working more or less than 40 hours per <br> week. expecta reavest for hours worked in the 13 weeks <br> prior to the injurry. <br> OOD <br> DWD. wisconsin. Gov |

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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.
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- Do not include earnings from week of injury unless
$\qquad$ daimant was $\qquad$ can be included.
- Include any bonuses.
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| Gross Earnings (cont.) |
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| Do not include in gross earnings: <br> - Any weeks where the claimant has disability earnings, FMLA, <br> Temporary Total Disability (TTD), or Temporary Partial Disability <br> (TPD) from a previous claim; <br> - Tips (added in separately); or <br> - Non-taxable earnings (reimbursements, per diem, etc.) <br> (O) <br> DWD.WISCONSIN.GOV |

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11


## Less Than Six Weeks

- If an employee has worked less than six (6) weeks, gross earnings cannot be used to determine average weekly wage (AWW).
- AWW will only be based on the Hourly Rate $x$ Hours per Week.
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 |
| employee regularly works 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.' |
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$\qquad$ overtime would NOT be included in 'Hours Per Week,' but all overtime earnings would still be included in 'Gross $\qquad$
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14

| Overtime (cont.) |  |
| :---: | :---: |
| The 'Hourly Rate x Hours Worked' equation turns into: <br> (Hourly Rate x Regular Hours Worked) <br> (Hourly Rate x $1.5 \times$ OT Hours Worked) |  |
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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 separately from the overtime hours.


## TTD and PPD Rates

$\qquad$
Temporary Total Disability (TTD) and Permanent Partial $\qquad$ Disability (PPD) rates will be set at $2 / 3$ of the AWW until it gets to the max rate.

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

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## Escalation

If there is a renewed period of TTD or TPD two or more years after the original period of disability ended, the TTD rate used will be escalated in proportion to the current max rate.

Example:

|  | TID | Max TTD | Percent |
| :---: | :---: | :---: | :---: |
| $\mathbf{2 0 1 4}$ | $\$ 446$ | $\$ 892$ | $50 \%$ |
| $\mathbf{2 0 2 3}$ | $\$ 623.50$ | $\$ 1247$ | $50 \%$ |

- In 2014, claimant's TTD rate was $\$ 446$, or $50 \%$ of the 2014 maximum TTD rate of \$892.
- In 2023, claimant resumed TTD for the same claim. His TTD rate was escalated to $50 \%$ of 2023 maximum TTD rate of $\$ 1247$, or $\$ 623.50$.
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## Wage Investigation

- About $30 \%$ of WKC-13Als (roughly 8,000 claims per year) filed will be put into "Wage Investigation."
- Of that $30 \%$, about half will stay the same.
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- 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-13A1s will not change that.


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## Why Would We Request This?

- The number of weeks worked entered on the WKC-13A1 is impossible based on Date of Hire and Date of Injury.
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- The quarterly gross earnings the employer reported to UI is significantly different than what was reported on the WKC-13AI.
- Something just doesn'† look right:
- Gross is very high or low
- Weeks are very high or low
- No tips reported for a job that typically gets tips
- Earnings fluctuate across quarters in UI database

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Part-time Employees

## Everyone Gets Paid Full-time...

- 102.11(1)(a)3: "The average weekly earnings shall be
$\qquad$ arrived at by multiplying the employee's hourly earnings by the hours in the normal full-time work week as established by the employer."
- Labor \& Industry Review Commission (LIRC): Prior to 4/10/22, "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."

| ....ExCept |
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| - Employees who self-restrict to part-time work on the labor |
| market |
| - As of 4/10/22: Wage expansion for part-time employees is |
| limited to part-time employees who are |
| - Employed by another employer, or |
| o Who have been employed part-time less than 12 months before |
| the injury. (Repeal of s. 102.11 (1)(am) and (f)l and creation of s. |
| 102.11(1)(ap)) |
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| Self-restriction |
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| - Way to reduce expanded hours to average actual <br> earnings or to regularly scheduled hours <br> - Documentation from employer confirming job is only for <br> part-time work <br> - Voluntary for employee to fill out <br> - Specifying part time work on employment application <br> - Only applies to temporary disability benefits (not PPD) <br> DWD.WISCONSIN.GOV |
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## Self-restriction (cont.)

- 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) $\qquad$
- Restricted rate is paid at $100 \%$ of regular work schedule or average actual earnings, whichever is higher $\qquad$
- Can only be applied by a wage analyst

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## Self-restriction Eligibility

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- Cannot have two jobs
- If no regular schedule, must have worked at least six (6) full weeks
- TTD rate cannot exceed what it would be if hours were expanded to full time
- Recent part-lime workers, or those who keep high number of hours, may not be eligible
- If you receive an error that an 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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## Self-restriction Eligibility (cont.)

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Cannot accept self-restriction forms that: $\qquad$

- 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"
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- Aren't signed by the employee (or legal guardian)
- Are coercive or misleading $\qquad$
- Must give an option to select yes or no
- Cannot imply stoppage of benefits if not filled out $\qquad$
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## Questions?



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Wage Variants
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| 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 <br> (Business Owner) |
| K-12 Cafeteria Worker - PT | Prisoner | Taxicab 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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TTD: $\qquad$
PPD:
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## Exercise 2

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- Claimant's age: 31
- Date of Hire: 6/4/22
- Date of Injury: 4/7/23

AWW: _ \$980.00

- Earns $\$ 21.00$ /hour
- Schedule: 40 hours/week

TD: $\quad \$ 653.33$
PPD: $\quad \$ 430.00$
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- Gross: \$43,120
- Weeks worked in year before injury: 44


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## Exercise 3

- Claimant's age: 30
AWW: $\qquad$
- Date of Hire: 6/9/16
- Date of Injury: 4/6/23
- Earns \$26.00/hour
- Schedule: 45 hours/week
TTD: $\qquad$
- Overtime paid after 40 hours/week
- Gross: $\$ 56,740$
- Weeks worked in year before injury: 49
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- Gross: $\$ 56,740$
- Weeks worked in year before injury: 49 $\qquad$

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## Questions?

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