

Wages and Temporary Total Disability Self-Insurance Claim Adjudication Guidelines

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Computing Gross Monthly Wage

Wages at the Time of Injury [WAC 296-14-520](#), [WAC 296-14-522](#)

Time-loss compensation calculations are based on wages the injured worker was receiving at the time of injury or manifestation of occupational disease. If the worker had a second job at the time of injury, the income from this source must also be included when computing gross monthly wage.

Intent of the Law [RCW 51.08.178](#)

The intent of [RCW 51.08.178](#) is to ensure that wages are computed in a fair and equitable manner.

When computing the gross monthly wages, you should always keep in mind [RCW 51.12.010](#) which states "...This title shall be liberally construed for the purpose of reducing to a minimum the suffering and economic loss arising from injuries and/or death occurring in the course of employment".

Compensation received as part of the contract of hire must also be included when calculating wages. A contract of hire is defined as an oral or written agreement, reached by mutual consent, between the employer and worker regarding the terms and conditions of employment. Examples could include, but are not limited to housing, meals, and commissions.

RCW 51.08.178

Before computing the workers wage, you must first determine into which subsection of [RCW 51.08.178](#) the worker's employment pattern falls. Most employment patterns fit under subsection 1 of the statute. In order for a worker's wage to be computed under subsection 2, the worker's relationship to the employer of injury must be exclusively seasonal in nature, or the worker's current employment or relationship to employment in general be essentially part-time or intermittent.

Exclusively seasonal infers that the nature of the work is such that it can only be performed at certain times of the year. Therefore, the phrase "employment exclusively seasonal" applies when the work pattern of the worker is entirely dependent upon the seasons.

It is very rare for a worker's wages to be calculated under subsection 2 due to a designation of part-time. The claim manager should check to determine if the worker's pattern better fits under subsection 1 even though the hours worked are less than full-time.

A worker's employment is intermittent when the pattern is not regular or continuous and has definite starting and stopping points. (**Note:** Construction workers wages are computed under subsection 1 when the employment pattern is regular and continuous interrupted only by job completion and unavoidable layoffs.)

Computing Wages under Subsection 1 [RCW 51.08.178\(1\)](#)

Use the [SIF-5A](#) form to calculate gross monthly wages in accordance with [RCW 51.08.178](#), subsection 1.

Salaried Employee

Use this method when the employee earns a fixed monthly salary.

Example:

Ariel's hours and days worked varied greatly. She was not eligible for overtime and regardless of how many hours she worked, she earned \$4,700.00 per month.

Fill in this section of the [SIF-5A](#) form (page 3) as shown

Salaried Employee	
<i>Use this method when the employee earns a fixed monthly salary.</i>	Monthly salary = \$4,700.00 <i>Monthly wage</i>
	<i>Overtime hours should be calculated separately using averaging of hours.</i>

No payroll records will be required if the wage information the worker and the employer completes on the SIF-2 matches what is submitted on the SIF-5A. If there is a discrepancy then the insurer will need to provide a documented email, letter or phone call with the worker that resolves any discrepancy or submit payroll documentation.

Note: For a salaried employee who is overtime eligible, overtime hours should be calculated separately at the regular rate of pay on page 4 under either the section “Averaging Hours Per Day” when the worker works the same number of days of overtime a week, or the section “Averaging Hours Per Month” when the overtime days worked varies.

Regularly Scheduled Hourly Employee – Including Minor Variations

Regularly scheduled means the employee works or is scheduled to work the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week, in a regular pattern.

Use this method when the employee has only one rate of pay and works a regular schedule with only a minor variation (to determine if the schedule has more than a minor variation, use the “Calculation of Minor Variation for a Regularly Scheduled Employee” guidelines on the SIF-5A form).

No payroll records will be required if the wage information the worker and the employer completes on the SIF-2 matches what is submitted on the SIF-5A. If there is a discrepancy then the insurer will need to provide a documented email, letter or phone call with the worker that resolves any discrepancy or submit payroll documentation.

Note: Overtime hours should be calculated separately on page 4 under either the section “Averaging Hours Per Day” when the worker works the same number of days of overtime a week, or the section “Averaging Hours Per Month” when the overtime days worked varies. Overtime should be calculated at the regular rate of pay.

Example:

Martha is a cashier who is paid \$12.95 per hour and works 8 hours per day, 5 days per week.

$\$12.95 \times 8 \text{ hours} = \103.60 (daily wage)
 $\$103.60 \times 22 = \$2,279.20$ (gross monthly wage)

Fill in this section of the [SIF-5A](#) form (page 3) as shown.

Regularly Scheduled Hourly Employee - Including Minor Variations																	
<p>Use this method when the employee worked a regular schedule, or worked a regular schedule with a minor variation. TO determine if the regular schedule had more than a minor variation, use the "Calculation of Minor variation for a Regularly Scheduled Employee" guidelines at the bottom of subsection 1.</p> <p>Note: This method is used when the employee is paid at only one rate of pay.</p> <p>If the employee worked a varying number of days per week, or received multiple rates of pay, the monthly wage must be calculated using average hours per day or average hours per month. Go to the "Representative Period Used for Averaging Hours" section.</p>	<p>Number of days worked per week: 5</p>																
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 25%;"><u>\$12.95</u></td> <td style="text-align: center; width: 5%;">x</td> <td style="text-align: center; width: 25%;"><u>8</u></td> <td style="text-align: center; width: 5%;">x</td> <td style="text-align: center; width: 25%;"><u>22</u></td> <td style="text-align: center; width: 5%;">=</td> <td style="text-align: center; width: 20%;"><u>\$2,279.20</u></td> </tr> <tr> <td style="text-align: center;"><small>Hourly Rate</small></td> <td></td> <td style="text-align: center;"><small>Hours per day</small></td> <td></td> <td style="text-align: center;"><small>*Days per month</small></td> <td></td> <td style="text-align: center;"><small>Monthly Wage</small></td> </tr> </table>	<u>\$12.95</u>	x	<u>8</u>	x	<u>22</u>	=	<u>\$2,279.20</u>	<small>Hourly Rate</small>		<small>Hours per day</small>		<small>*Days per month</small>		<small>Monthly Wage</small>		
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1	5																
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7	30																

This is also applicable for regularly scheduled employees that work more or less than 40 hours per week.

Example:

Jim is a shelf stocker who is paid \$11.85 per hour and works 6 hours per day, 3 days per week.

$$\begin{aligned}
 & \$11.85 \times 6 \text{ hours} = \$71.10 \text{ (daily wage)} \\
 & \$71.10 \times 13 = \$924.30 \text{ (gross monthly wage)}
 \end{aligned}$$

Fill in this section of the [SIF-5A](#) form (page 3) as shown.

Regularly Scheduled Hourly Employee - Including Minor Variations																	
<p>Use this method when the employee worked a regular schedule, or worked a regular schedule with a minor variation. TO determine if the regular schedule had more than a minor variation, use the "Calculation of Minor variation for a Regularly Scheduled Employee" guidelines at the bottom of subsection 1.</p> <p>Note: This method is used when the employee is paid at only one rate of pay.</p> <p>If the employee worked a varying number of days per week, or received multiple rates of pay, the monthly wage must be calculated using average hours per day or average hours per month. Go to the "Representative Period Used for Averaging Hours" section.</p>	<p>Number of days worked per week: 3</p>																
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">\$11.85</td> <td style="text-align: center;">x</td> <td style="text-align: center;">6</td> <td style="text-align: center;">x</td> <td style="text-align: center;">13</td> <td style="text-align: center;">=</td> <td style="text-align: center;">\$924.30</td> </tr> <tr> <td style="text-align: center;"><i>Hourly Rate</i></td> <td></td> <td style="text-align: center;"><i>Hours per day</i></td> <td></td> <td style="text-align: center;"><i>*Days per month</i></td> <td></td> <td style="text-align: center;"><i>Monthly Wage</i></td> </tr> </table>	\$11.85	x	6	x	13	=	\$924.30	<i>Hourly Rate</i>		<i>Hours per day</i>		<i>*Days per month</i>		<i>Monthly Wage</i>		
\$11.85	x	6	x	13	=	\$924.30											
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	<p><i>"Regularly scheduled" means the employee works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern.</i></p> <p><i>Overtime hours should be calculated separately using averaging of hours.</i></p>																

In the significant court decision *In Re: Maggie R. Stedman*, the court found that averaging hours worked per day pursuant to [RCW 51.08.178\(1\)](#) should only be used in limited circumstances. Minor variations in hours worked should be considered self-correcting rather than the norm when establishing the number of hours worked.

To determine if there is a minor variation use this formula employing the same representative period you are choosing to use for the wage order:

- If the variation is 10% or less - use regularly scheduled to calculate the monthly wage
- If the variation is greater than 10% - use averaging to calculate the monthly wage

Example:

Ken worked for a construction company; he normally worked 10 hours per day, 4 days per week, earning \$27.75 an hour. Occasionally he was sent home early due to weather conditions. In the 3 months prior to the date of injury, he was scheduled to work 528 hours, due to weather conditions he actually worked 498 hours.

Complete this section of the [SIF-5A](#) form (page 6) as shown.

Calculation of Minor Variation for a Regularly Scheduled Employee	
<i>If the variation is less than 10%, use regularly scheduled with a minor variation to calculate the monthly wage.</i>	Scheduled Hours: 528.00
	Actual Hours Worked: 498.00
<i>Paid Vacation and Sick Leave should be included in the Actual Hours worked.</i>	$\frac{498.00}{498.00} \div \frac{528.00}{528.00} = \frac{0.94318182}{0.94318182}$
	<i>Actual Hours</i> <i>Scheduled Hours</i> <i>Variation</i>
<i>Do not include overtime hours in the "Actual hours worked."</i>	$1.00 - \frac{0.94318182}{0.94318182} \times 100 = \frac{5.68}{5.68}$
<i>If the variation is greater than 10%, use averaging to calculate the monthly wage.</i>	<i>Variation</i> <i>% Variation</i>

Since a variation of 5.68% would be considered a minor variation, calculate Ken’s wages using “Regularly Scheduled Hourly Employee – including minor variations” as shown to calculate his wages.

Regularly Scheduled Hourly Employee - Including Minor Variations

Use this method when the employee worked a regular schedule, or worked a regular schedule with a minor variation. TO determine if the regular schedule had more than a minor variation, use the "Calculation of Minor variation for a Regularly Scheduled Employee" guidelines at the bottom of subsection 1.

Note: This method is used when the employee is paid at only one rate of pay.

If the employee worked a varying number of days per week, or received multiple rates of pay, the monthly wage must be calculated using average hours per day or average hours per month. Go to the "Representative Period Used for Averaging Hours" section.

Number of days worked per week: 4

$$\frac{\$27.75}{\text{Hourly Rate}} \times \frac{10}{\text{Hours per day}} \times \frac{18}{\text{*Days per month}} = \frac{\$4,995.00}{\text{Monthly Wage}}$$

*Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

"Regularly scheduled" means the employee works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern.

Overtime hours should be calculated separately using averaging of hours.

Representative Period used for Averaging Hours

If the employee does not fit into one of the previous categories (Salaried or Regularly Scheduled Hourly), use the representative period and average hours. Hours should be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern. The default representative period is 3 months immediately prior to the injury. When determining the specific dates to use for the representative period, use the following number of pay periods immediately prior to the date of injury to reach 3 months:

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

If the 3 month default period is not representative of the worker's employment, you may use 12 months or for bi-weekly payroll 6 months (13 full payroll periods).

Complete this section of the [SIF-5A](#) form (page 4) as shown.

Representative Period Used for Averaging Hours		
<i>If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.</i>	From:	6/2/2013
	To:	8/31/2013
	Reason the representative period was chosen:	
	<input checked="" type="checkbox"/> 3 months* immediately prior to injury (default) <input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods) <input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern) <input type="checkbox"/> Other period. Explain:	
*When using a 3 month representative period, use the following number of pay periods: <ul style="list-style-type: none"> • For monthly payroll, use 3 full pay periods. • For semi-monthly payroll, use 6 full pay periods. • For bi-weekly payroll, use 6.5 pay periods. • For weekly payroll, use 13 full pay periods. 		



Averaging Hours per Day

When a worker has a set amount of days per week but the number of hours per day varies and there is only one rate of pay, average the number of hours per day, and multiply by the number of days worked per month using the formula in statute, to establish the gross monthly wage.

Example:

Beth is a retail clerk who earns \$10.75 per hour and works 4 days per week. The number of hours she works per day varies. Review of her payroll records show that she worked 353.6 hours in the 3 month representative period prior to her injury.

$$353.6 \text{ hours} \div 52 \text{ (\# of days worked in period)} = 6.80 \text{ (avg. hours per day)}$$

$$\$10.75 \times 6.80 \text{ (avg. hours per day)} \times 18 = \$1,315.80 \text{ (gross monthly wage)}$$

Complete this section of the [SIF-5A](#) form (page 4) as shown.

Representative Period Used for Averaging Hours			
If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.	From:	6/2/2013	To: 8/31/2013
	Reason the representative period was chosen:		
	<input checked="" type="checkbox"/> 3 months* immediately prior to injury (default)		
	<input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)		
<input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)			
<input type="checkbox"/> Other period. Explain:			
*When using a 3 month representative period, use the following number of pay periods:			
<ul style="list-style-type: none"> • For monthly payroll, use 3 full pay periods. • For semi-monthly payroll, use 6 full pay periods. • For bi-weekly payroll, use 6.5 pay periods. • For weekly payroll, use 13 full pay periods. 			
Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)			
Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.	Number of days worked per week:		
	353.6	÷	52 = 6.80
	Total hours worked in the period	# of days worked in the period	Average hours per day
	\$10.75	x	6.80 x 18 = \$1,315.80
Paid Vacation and Sick Leave should be included in the Total Hours Worked.	Hourly Rate	Average hours per day	*Days per month
			Monthly Wage
This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.	*Days per month are defined by law and are based on the number of days worked per week.		
	Days worked per week	Days per month	
	1	5	
	2	9	
	3	13	
	4	18	
	5	22	
	6	26	
7	30		

Averaging Hours per Month – When Days Vary but There is only One Rate of Pay

This method is used when the number of days worked per week varies but the worker only earns one rate of pay.

Example:

Simon is a retail clerk who is paid \$11.35 per hour. He works between 3 to 6 days per week. His payroll records show that he has worked 423 hours in the 3 month default period prior to the date of injury.

423 hours ÷ 3 months = 141 (avg. hours worked per month)
 141 (avg. hours worked per month) x \$11.35 (hourly rate) = \$1,600.35 (gross monthly wage)

Complete this section of the [SIF-5A](#) form (page 4) as shown.

Averaging Hours Per Month (for monthly wage)									
<p>Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.</p> <p>This section may also be used to calculate overtime pay for workers who are regularly scheduled or salaried.</p>	423	÷	3	=	141.00	x	\$11.35	=	\$1,600.35
	Total hours in period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Averaging Hours per Month (for monthly wage – when there are multiple rates of pay)

In the court decision *Fred Meyer Inc. v. Shearer*, the court found that shift differential is not overtime but rather additional compensation for working undesirable hours. Shearer’s wages were calculated as if she worked for two different employers.

Workers who receive an hourly rate different than the regular hourly rate of pay for working a certain shift, day of the week, or for having additional responsibilities, etc. are entitled to have that rate of pay included in their gross monthly wage.

If the hours worked for a given rate of pay average out to at least 8 hours per month, the rate will stand as a “qualified” rate of pay and cannot be rolled into any other rate of pay. If any rate of pay is “minimally worked hours” (less than 8 hours per month), you may roll it up into the next **highest** “qualified” rate of pay. If no higher rate of pay is available, then you may roll it down to the next “qualified” rate of pay available.

Qualified Rate of Pay

Rate of pay that has at least 8 average hours per month.

Minimally Worked Hours

Rate of pay that has less than 8 average hours per month.

Bundling or Rolling Rates: All or None

- If the choice to bundle rates is made, all rates with minimally worked hours should be rolled into a qualified rate.
- If the choice is to **not** bundle rates, then all rates of pay, no matter how little worked, should be shown in the calculations.

This method is for use when there are multiple rates of pay. For each pay period provide the payroll codes/description of the pay types included in that rate.

Example #1:

Colton works a rotating shift at a shoe factory. He earns different rates of pay for the day shift, the swing shift, and the night shift.

In the 3 months prior to his date of injury he worked a total of:

- 155 hours on the day shift at \$14.00 an hour
- 163 hours on the swing shift at \$16.00 an hour
- 210 hours on the night shift at \$18.00

Complete this section of the [SIF-5A](#) form (page 5) as shown.

Averaging Hours Per Month (for monthly wage - when there are multiple rates of pay)						
<p>Use this method when the employee is paid at more than one rate of pay.</p> <p>For each rate of pay, provide the payroll codes/description of the pay types included in that rate.</p> <p>If the hours worked for a given rate of pay average out to at least 8 hours per month, the rate will stand as a "qualified" rate of pay and cannot be rolled into any other rate of pay.</p> <p>If any rate of pay is "minimally worked hours" (less than 8 hours per month), you may roll it up into the next highest qualified rate of pay. If no higher qualified rate of pay is available, then you may roll it down to the highest qualified rate of pay available.</p> <p>If there are more than 5 rates of pay, attach additional pages to show how the preparer calculated the monthly wage for each additional rate of pay.</p>	Hourly Rate # 1	Payroll code(s)/description: Day shift				
		$\frac{155}{3} = 51.67$	\times	$\frac{\$14.00}{}$	$=$	$\$723.38$
		Total Hours	Number	Average	Hourly Rate	Monthly wage for Rate #1
			Months in	Hours per		
			Period	Month		
	Hourly Rate # 2	Payroll code(s)/description: Swing shift				
		$\frac{163}{3} = 54.33$	\times	$\frac{\$16.00}{}$	$=$	$\$869.28$
		Total Hours	Number	Average	Hourly Rate	Monthly wage for Rate #2
		Months in	Hours per			
		Period	Month			
	Hourly Rate # 3	Payroll code(s)/description: Night shift				
		$\frac{210}{3} = 70.00$	\times	$\frac{\$18.00}{}$	$=$	$\$1,260.00$
		Total Hours	Number	Average	Hourly Rate	Monthly wage for Rate #3
		Months in	Hours per			
		Period	Month			
	Hourly Rate # 4	Payroll code(s)/description:				
		$\frac{0.01}{0.01} = 0.00$	\times	$\frac{\$0.00}{}$	$=$	$\$0.00$
		Total Hours	Number	Average	Hourly Rate	Monthly wage for Rate #4
		Months in	Hours per			
		Period	Month			
	Hourly Rate # 5	Payroll code(s)/description:				
		$\frac{0.01}{0.01} = 0.00$	\times	$\frac{\$0.00}{}$	$=$	$\$0.00$
		Total Hours	Number	Average	Hourly Rate	Monthly wage for Rate #5
		Months in	Hours per			
		Period	Month			
	Total Monthly Wage	$\$723.38 + \$869.28 + \$1,260.00 + \$0.00 +$				
		Monthly wage, rate #1	Monthly wage, rate #2	Monthly wage, rate #3	Monthly wage, rate #4	
		$\$0.00 +$	$=$	$\$2,852.66$		
		Monthly wage, rate #5	Sum of monthly wage for pay rates #6 and up (from additional pages)	Total Monthly Wage		

Example #2:

Julian is a nurse at a hospital; he works various shifts and earns several different rates of pay depending on the shift.

In the 3 months prior to his date of injury he worked a total of:

- 121 hours on the regular day shift (203), at \$24.00 an hour
- 97 hours on the regular swing shift (207), at \$31.00 an hour
- 17 hours on the regular night shift (211), at \$34.00 an hour
- 4 hours at the regular day call back rate (401), at \$37.00 an hour
- 103 hours on the weekend day shift (303), at \$35.00 an hour
- 26 hours on the weekend swing shift (307), at \$42.00 an hour
- 49 hours on the weekend night shift (311), at \$47.00 an hour

Since the regular night shift (211) rate and the regular day call back rate (401) were minimally worked hours (they each averaged less than 8 hours per month), his employer chose to roll those hours into the next highest “qualified” (rate that has at least 8 average hours per month) rate of pay.

The hours for the regular night shift rate (211) at \$34.00 were rolled into the weekend day shift rate (303) at \$35.00 per hour.

The hours for the regular day call back rate (401) at \$37.00 were rolled into the weekend swing shift rate (307) at \$42.00 per hour.

Fill in this section of the [SIF-5A](#) form (page 5) as shown

Averaging Hours Per Month (for monthly wage - when there are multiple rates of pay)							
<p>Use this method when the employee is paid at more than one rate of pay.</p> <p>For each rate of pay, provide the payroll codes/description of the pay types included in that rate.</p> <p>If the hours worked for a given rate of pay average out to at least 8 hours per month, the rate will stand as a "qualified" rate of pay and cannot be rolled into any other rate of pay.</p> <p>If any rate of pay is "minimally worked hours" (less than 8 hours per month), you may roll it up into the next highest qualified rate of pay. If no higher qualified rate of pay is available, then you may roll it down to the highest qualified rate of pay available.</p> <p>If there are more than 5 rates of pay, attach additional pages to show how the preparer calculated the monthly wage for each additional rate of pay.</p>	Hourly Rate # 1	Payroll code(s)/description: Regular day shift (203)					
		$\frac{121}{3} = 40.33$	x	\$24.00	=	\$968.00	
			Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate	Monthly wage for Rate #1
	Hourly Rate # 2	Payroll code(s)/description: Regular swing shift (207)					
		$\frac{97}{3} = 32.33$	x	\$31.00	=	\$1,002.33	
			Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate	Monthly wage for Rate #2
	Hourly Rate # 3	Payroll code(s)/description: Regular night shift (211) & weekend day shift (303)					
		$\frac{120}{3} = 40.00$	x	\$35.00	=	\$1,400.00	
			Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate	Monthly wage for Rate #3
	Hourly Rate # 4	Payroll code(s)/description: Regular day call back rate (401) & weekend swing shift (307)					
$\frac{30}{3} = 10.00$		x	\$42.00	=	\$420.00		
		Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate	Monthly wage for Rate #4	
Hourly Rate # 5	Payroll code(s)/description: Weekend night shift (311)						
	$\frac{49}{3} = 16.33$	x	\$47.00	=	\$767.67		
		Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate	Monthly wage for Rate #5	
Total Monthly Wage	$\$968.00 + \$1,002.33 + \$1,400.00 + \$420.00 +$						
	Monthly wage, rate #1	Monthly wage, rate #2	Monthly wage, rate #3	Monthly wage, rate #4			
	\$767.67		=	\$4,558.00			
	Monthly wage, rate #5	Sum of monthly wage for pay rates #6 and up (from additional pages)		*Total Monthly Wage			
*Due to rounding, manually calculated sub-totals may differ from form generated automated totals.							

Non-Standard Wage

This section should be used when a worker is paid in a non-standard way, (i.e. by the mile or trip, commission, or piecework, etc.) For these workers, the monthly wage will be used. Choose a representative period that reflects only the current rate(s) of pay (i.e. the rate(s) of pay in effect on the date of injury). Remember to exclude bonuses (bonuses are added into the wage in another section of the form).

Example:

Juan is a truck driver that is paid by the mile. In the past 3 months he earned a total of \$10,976.00 excluding his bonuses. He is paid by the month.

Fill in this section of the [SIF-5A](#) form (page 6) as shown

Non-Standard Wage											
<p><i>Use this method when the employee is paid in a non-standard way, for example by the mile or trip, or commission or piecework.</i></p> <p><i>For these employees, the monthly wage will be used.</i></p> <p><i>Choose a representative period that reflects only the current rate(s) of pay (i.e. the rate(s) of pay in effect on the date of injury).</i></p> <p><i>Exclude bonuses - see "SIF5A - Sub 3" form.</i></p>	<p>Explain how the employee is paid, and at what "rate", if applicable: Worker is a truck driver paid .28¢ a mile and drove 39,200 miles during this period.</p> <p>Representative Period:</p> <p>From: 3/1/2011 To: 5/31/2011</p> <p>Reason the representative period was chosen:</p> <p><input checked="" type="checkbox"/> 3 months immediately prior to injury (default)</p> <p><input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)</p> <p><input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the wages)</p> <p><input type="checkbox"/> Other period. Explain:</p>										
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right; width: 30%;">\$10,976.00</td> <td style="text-align: center; width: 10%;">÷</td> <td style="text-align: center; width: 10%; border-bottom: 1px solid black;">3</td> <td style="text-align: center; width: 10%;">=</td> <td style="text-align: right; width: 30%; border-bottom: 1px solid black;">\$3,658.67</td> </tr> <tr> <td style="font-size: small;">Total compensation for the representative period</td> <td></td> <td style="font-size: small;"># of months in the representative period</td> <td></td> <td style="font-size: small;">Monthly Wage</td> </tr> </table>	\$10,976.00	÷	3	=	\$3,658.67	Total compensation for the representative period		# of months in the representative period		Monthly Wage
\$10,976.00	÷	3	=	\$3,658.67							
Total compensation for the representative period		# of months in the representative period		Monthly Wage							

Overtime Pay [WAC 296-14-530](#)

Overtime wages are not included in the computation of gross monthly wages under subsection 1. However, if a worker has a consistent pattern of overtime, their gross monthly wage should take into account the overtime hours at their regular rate of pay.

Example:

Barbara is a construction worker who makes \$20.65 an hour. Her scheduled work week is 8 hours per day, 5 days per week. However, several days a month she works extra hours. She is paid time and a half for her overtime hours. A review of her payroll records show she worked 84 overtime hours in the representative 3 month period prior to her injury.

Fill in this section of the [SIF-5A](#) form (page 3) as shown:

Regularly Scheduled Hourly Employee - Including Minor Variations

<p>Use this method when the employee worked a regular schedule, or worked a regular schedule with a minor variation. TO determine if the regular schedule had more than a minor variation, use the "Calculation of Minor variation for a Regularly Scheduled Employee" guidelines at the bottom of subsection 1.</p> <p>Note: This method is used when the employee is paid at only one rate of pay.</p> <p>If the employee worked a varying number of days per week, or received multiple rates of pay, the monthly wage must be calculated using average hours per day or average hours per month. Go to the "Representative Period Used for Averaging Hours" section.</p>	Number of days worked per week: 5															
	$\frac{\$20.65}{\text{Hourly Rate}} \times \frac{8}{\text{Hours per day}} \times \frac{22}{\text{*Days per month}} = \frac{\$3,634.40}{\text{Monthly Wage}}$															
	*Days per month are defined by law and are based on the number of days worked per week.															
	<table border="1"> <thead> <tr> <th>Days worked per week</th> <th>Days per month</th> </tr> </thead> <tbody> <tr><td>1</td><td>5</td></tr> <tr><td>2</td><td>9</td></tr> <tr><td>3</td><td>13</td></tr> <tr><td>4</td><td>18</td></tr> <tr><td>5</td><td>22</td></tr> <tr><td>6</td><td>26</td></tr> <tr><td>7</td><td>30</td></tr> </tbody> </table>	Days worked per week	Days per month	1	5	2	9	3	13	4	18	5	22	6	26	7
Days worked per week	Days per month															
1	5															
2	9															
3	13															
4	18															
5	22															
6	26															
7	30															

"Regularly scheduled" means the employee works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern.

Overtime hours should be calculated separately using averaging of hours.

Calculate the overtime by completing this section of the [SIF-5A](#) form (page 4) as shown:

Averaging Hours Per Month (for monthly wage)									
<p>Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.</p> <p>This section may also be used to calculate overtime pay for workers who are regularly scheduled or salaried.</p>	84	÷	3	=	28.00	×	\$20.65	=	\$578.20
	Total hours in period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Other Compensation, Tips, Gratuities, etc. [WAC 296-14-522](#)

This section is where you enter “other” types of compensation; some are listed on the form such as commission, housing/board, fuel, etc. Some less common compensation such as, longevity pay, education allowance, etc. will need to be explained. Any compensation listed in the section “Other (explain below)” should include an explanation (i.e. \$55.00 per month for longevity pay).

Tips are considered wages when the worker reports them to the employer for federal income tax purposes, or when they are distributed by the employer to the employee.

Gratuities are mandatory service charges added to a customer’s check by management. Similar to tips they shall be considered as wages only if they are reported for federal income tax purposes or when they are distributed by the employer to the employee.

Fill in this section of the [SIF-5A](#) form.

Other Compensation		
Enter the monthly value for any type of compensation the employee may have received in addition to hourly wages or health care benefits.	Tips/Gratuities:	Driver Mileage:
	Housing/Board:	Equipment/Clothing:
	Fuel:	Driver pickup/delivery:
	Commission:	Piecework:
	Transportation:	Other (explain below):
	Description of “other” wages:	
	Total monthly value of other compensation: \$ 0.00	

Computing Wages under Subsection 2 [RCW 51.08.178\(2\)](#)

Subsection 2 should be used to calculate wages when the worker’s relationship to the employer of injury is exclusively seasonal in nature or the worker’s relationship to their employment is essentially part-time or intermittent.

The monthly wage is determined by dividing by 12 the total wages earned, including overtime, from all employment in any 12 successive calendar months preceding the injury. Obtain a work history from the worker showing all employment for a minimum of three years prior to the date of injury/occupational disease. The work history must include employer names, dates/periods of employment and an explanation of any significant gaps in employment. Obtain documentation of gross wages, including overtime, from all employment for the entire period covered by the work history. Select a 12 month period for averaging wages that fairly represents the worker’s earning history and explain why that period was chosen.

Part-time/Intermittent

Employers should review an injured worker’s intent with regard to their work pattern in order to determine if the worker is part-time or intermittent. An employee’s work pattern may appear irregular or non-continuous; however, if the employee’s intent was to secure full-time employment throughout the year, i.e. they worked for several months, were on unemployment benefits due to an unavoidable layoff for a few weeks then worked again for several months, they would not be an intermittent worker and wages should be calculated using the formula under Subsection 1.

In the Supreme Court case *Dept. of L&I v. Avundes*, the Supreme Court held that Avundes was **not** an essentially part-time or intermittent employee, finding instead that he did general farm work and that such work was generally available during all seasons. Though his work history

reflected an intermittent pattern (19 jobs in 14 months), Mr. Avundes was either working or looking for work and it was his intent to secure full-time employment throughout the year. The Court concluded that a worker should not be penalized because prior employment was irregular or uncontinuous. The court stated, "...There is no logical reason why a claimant should be penalized solely because his prior employment was irregular or uncontinuous. Such a rule would be unfair to an employee who had worked a series of jobs before being injured, and it would shift the analysis away from the proper focus on the injured worker's lost earning capacity..." "... Avundes intent was to work full-time and Avundes' work history showed a consistent pattern of working or looking for work..." "... We find the Court of Appeals correctly concluded subsection (1) applies to Avundes in determining his workers' compensation benefits".

School district employees, whose contract is for working less than year round, have their wages calculated under subsection 2 (*School District No. 401 v. Minturn*).

Part-time

Part-time means the worker has **no set schedule or discernible pattern** and the hours spent at that employment are significantly less than the number of hours typically worked by employees in that industry.

Example:

Charlotte is a retired department store employee. She fills in for ill employees a few days each year. In the twelve months prior to the date of her injury she grossed a total of \$1,235.00 from all employment.

$\$1,235.00 \div 12 \text{ (months)} = \$102.92 \text{ (gross monthly wage)}$

Fill in this section of the [SIF-5A](#) (page 7) form as shown

Use this subsection ONLY for employees with a seasonal or intermittent schedule.

The monthly wage for seasonal/intermittent employees is determined by dividing by 12 the total wages paid to the employee - *including overtime, but excluding bonuses* - from all employment in any 12 successive calendar months preceding the injury. The 12 month period chosen should fairly represent the employee's employment pattern.

Period used for averaging wages:

From: 2/1/2011 To: 1/31/2012

Why was this period chosen?

If fairly represents the worker's pattern of employment. During 2010 she was off work due to an unrelated medical condition so that period would not be appropriate.

<p><i>Total wages includes all monies paid to the employee during the period chosen, including wages for any additional jobs. (Exclude bonuses - see "SIFSA - Sub 3" form)</i></p>	$\frac{\$1,235.00}{12} = \102.92
	<p><i>Total Wages</i> <i>Months</i> <i>Monthly Wage</i></p>

Intermittent

Intermittent means the pattern is sporadic, has definite starting and stopping points and there are significant gaps in between.

Example:

Tylen is a college student who works at a retail store during spring and winter break, she has no other employment. In the twelve months prior to the date of her injury she grossed a total of \$7,356.00 from all employment.

$$\$7,356.00 \div 12 \text{ (months)} = \$613.00 \text{ (gross monthly wage)}$$

Fill in this section of the SIF-5A form (page 7) as shown:

<i>Use this subsection ONLY for employees with a seasonal or intermittent schedule.</i>			
The monthly wage for seasonal/intermittent employees is determined by dividing by 12 the total wages paid to the employee - <i>including overtime, but excluding bonuses</i> - from all employment in any 12 successive calendar months preceding the injury. The 12 month period chosen should fairly represent the employee's employment pattern.			
Period used for averaging wages:			
From: 4/15/2012		To: 4/14/2013	
Why was this period chosen? It is representative of her employment for the past 2 years while she has been working here and going to college.			
<i>Total wages includes all monies paid to the employee during the period chosen, including wages for any additional jobs. (Exclude bonuses - see "SIF5A - Sub 3" form)</i>	$\frac{\$7,356.00}{\text{Total Wages}}$	$\div \frac{12}{\text{Months}}$	$= \frac{\$613.00}{\text{Monthly Wage}}$

Seasonal

When determining whether a worker is seasonal, consider the worker’s relationship to the employer. Exclusively seasonal means that the work the worker was hired to perform for the employer can only be carried out during a particular time of year.

Example:

Tyler was injured harvesting apples for a farm, harvesting apples was the only work he was hired to do by that farm. In the 12 months prior to the date of his injury he grossed a total of \$19,543.00 from all employment.

$$\$19,543.00 \div 12 \text{ (months)} = \$1,628.58 \text{ (gross monthly wage)}$$

Note: If Tyler would have been injured harvesting apples, yet he also worked for the farm throughout the year performing general farm labor, then his relationship to that employer would not have been seasonal and his wages would have been calculated under subsection 1. (See *Double D Hop Ranch v. Sanchez.*)

Fill in this section of the [SIF-5A](#) form (page 7) as shown:

Use this subsection ONLY for employees with a seasonal or intermittent schedule.			
The monthly wage for seasonal/intermittent employees is determined by dividing by 12 the total wages paid to the employee - <i>including overtime, but excluding bonuses</i> - from all employment in any 12 successive calendar months preceding the injury. The 12 month period chosen should fairly represent the employee's employment pattern.			
Period used for averaging wages:			
From: 8/1/2011		To: 7/31/2012	
Why was this period chosen? It is the period immediately prior to the date of injury and seems to reflect his work pattern for the past 3 years based on his work history.			
Total wages includes all monies paid to the employee during the period chosen, including wages for any additional jobs. (Exclude bonuses - see "SIF5A - Sub 3" form)	\$19,543.00	÷ 12	= \$1,628.58
	Total Wages	Months	Monthly Wage

Calculating Wages under Subsection 4 [RCW 51.08.178\(4\)](#)

“Like” Employees

If a worker does not have a regular, set schedule and has not worked long enough to establish a pattern the monthly wage shall be computed on the basis of the usual wage paid other employees engaged in “like” or similar occupations where the wages are fixed.

Review more than 1 “like” employee to ensure a fair representation of the employee’s wage. (We recommend you review at least 3 individual “like” employees.) Use a similar time period for each employee reviewed.

Example:

Conner started working as a bagger for a grocery store on June 2nd. He was told he would be earning \$11.35 per hour and his days and hours would vary depending on store need. On June 10th, he slipped on a wet floor falling and breaking his leg.

To determine the gross monthly wage review the pattern of employment for other “like” employees. There are several baggers working for the same store, pick 3 that were hired to work schedules similar to Conner.

After reviewing payroll records it was determined that the 3 consecutive months prior to Conner’s date of injury was a fair representation of the work pattern. In those 3 months;

- “Like” employee #1 worked 288 hours
- “Like” employee #2 worked 294 hours
- “Like” employee #3 worked 301 hours

Choose one of the “like” employees. In this case we will choose #2 since it appears that there was not a large discrepancy between the hours and #2 is likely a good representation of the hours Conner would be working.

Fill in this section of the [SIF-5A](#) form (page 9) as shown:

Use this subsection to calculate the monthly wage where a wage has not been fixed, or cannot be reasonably and fairly determined. The wage will be calculated on the basis of the usual wage paid other employees engaged in like or similar occupations where the wages are fixed.

Review more than 1 "like" employee to ensure a fair representation of the employee's wage. (We recommend you review at least 3 individual "like" employees.) Use a similar time period for each employee reviewed.

Explain why the employee's wages cannot be reasonably and fairly determined based on their own employment record:

Conner was hired to work a varied schedule and had only been working a few days when he was injured.

For each "like" employee reviewed, provide the "like" employees job title. For privacy, don't include the "like" employees' name:

"Like" Employee #1's Job Title: Grocery store bagger

"Like" Employee #2's Job Title: Grocery store bagger

"Like" Employee #3's Job Title: Grocery store bagger

For each "like" employee above, complete and attach the appropriate Wage Calculation Form(s) and the Total Monthly Wage Summary form, using the "like" employee's employment pattern.

Which "like" employee has been chosen as the basis for the employee's monthly wage?

#2

Why did you chose this "like" employee?

There was not a large discrepancy between the hours and #2 is likely a good representation of the hours Conner would have been working.

Don't forget to also submit the calculation sheets for all of the "like" employees

Claim Number:	0	Claimant Name:	Like employee #1	Date of Injury:	1/0/1900
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Representative Period Used for Averaging Hours

<i>If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.</i>	From:	3/3/2013	To:	6/1/2013
	Reason the representative period was chosen:			
	<input checked="" type="checkbox"/> 3 months* immediately prior to injury (default)			
	<input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)			
<input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)				
<input type="checkbox"/> Other period. Explain:				

- *When using a 3 month representative period, use the following number of pay periods:
- For monthly payroll, use 3 full pay periods.
 - For semi-monthly payroll, use 6 full pay periods.
 - For bi-weekly payroll, use 6.5 pay periods.
 - For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

<i>Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.</i>	Number of days worked per week:			<i>Use two decimal points when calculating average hours per day.</i>
	\div	0.1	=	
<i>Paid Vacation and Sick Leave should be included in the Total Hours Worked.</i>	Total hours worked in the period	# of days worked in the period	Average hours per day	<i>Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.</i>
	\times	0.00	\times	
<i>This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.</i>	Hourly Rate	Average hours per day	*Days per month	Monthly Wage
	\times		\times	

*Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

Averaging Hours Per Month (for monthly wage)

<i>Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.</i>	288	\div	3	=	96.00	\times	\$11.35	=	\$1,089.60
	Total hours in period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Claim Number:	0	Claimant Name:	Like employee #2	Date of Injury:	1/0/1900
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Representative Period Used for Averaging Hours

If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.

From: 3/3/2013 To: 6/1/2013

Reason the representative period was chosen:

3 months* immediately prior to injury (default)

6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)

12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)

Other period. Explain:

*When using a 3 month representative period, use the following number of pay periods:

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.

Paid Vacation and Sick Leave should be included in the Total Hours Worked.

Number of days worked per week:

	÷	0.1	=	0.00	<i>Use two decimal points when calculating average hours per day.</i>
<i>Total hours worked in the period</i>		<i># of days worked in the period</i>		<i>Average hours per day</i>	<i>Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.</i>
	x	0.00	x	\$0.00	
<i>Hourly Rate</i>		<i>Average hours per day</i>		<i>*Days per month</i>	<i>Monthly Wage</i>

This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.

*Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

Averaging Hours Per Month (for monthly wage)

Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.

294	÷	3	=	98.00	x	\$11.35	=	\$1,112.30
<i>Total hours in period</i>		<i># of months in period</i>		<i>Average hours per month</i>		<i>Hourly Rate</i>		<i>Monthly Wage</i>

Claim Number:	0	Claimant Name:	Like employee #3	Date of Injury:	1/0/1900
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Representative Period Used for Averaging Hours

If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.

From: 3/3/2013 To: 6/1/2013

Reason the representative period was chosen:

3 months* immediately prior to injury (default)

6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)

12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)

Other period. Explain:

- *When using a 3 month representative period, use the following number of pay periods:
- For monthly payroll, use 3 full pay periods.
 - For semi-monthly payroll, use 6 full pay periods.
 - For bi-weekly payroll, use 6.5 pay periods.
 - For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.

Paid Vacation and Sick Leave should be included in the Total Hours Worked.

This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.

Number of days worked per week:

	÷	0.1	=	0.00	
Total hours worked in the period		# of days worked in the period		Average hours per day	

Use two decimal points when calculating average hours per day. Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.

	x	0.00	x		=	\$0.00
Hourly Rate		Average hours per day		*Days per month		Monthly Wage

*Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

Averaging Hours Per Month (for monthly wage)

Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.

	÷	3	=	100.33	x	\$11.35	=	\$1,138.75
Total hours in period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Computing Bonuses – Subsection 3 [RCW 51.08.178\(3\)](#), [WAC 296-14-522](#)

Bonuses are included in the calculation of wages if they were received by the worker in the 12 months immediately preceding the date of injury or manifestation. The monthly value of the bonus is calculated by dividing all bonuses paid during that period by 12.

Example:

Shane works for an airplane manufacturing company. He sustains an injury on January 8th. In the month previous, Shane had received a \$7,800.00 year end production bonus.

$$\$7,800.00 \text{ (bonus)} \div 12 \text{ months} = \$650.00 \text{ (average monthly value of bonus)}$$

Fill in this section of the [SIF-5A](#) form (page 8) as shown:

Use this subsection if the employee received any bonuses in the 12 months prior to the date of injury.	
"Bonuses" include any additional monetary payment in relation to the employee's contribution to the employer.	
Bonuses may include incentive pay, safety bonuses, anniversary pay, and more.	
What was the amount of total bonuses?	What kind of bonus was it (incentive pay, safety bonus, etc.)?
\$7,800.00	Year-end production bonus
$\frac{\$7,800.00}{12} = \650.00	
<i>Total bonus amount in last 12 months</i>	<i>Monthly Value of Bonuses</i>

Health Care Benefits [RCW 51.08.178](#), [WAC 296-14-524](#), [WAC 296-14-528](#)

In the *Cockle v. Dept. of L&I* decision the Supreme Court held that the value of employer-provided health care benefits is another type of compensation which must be included when computing wages. The amount of the employer's actual contribution on the date of injury to medical, dental, and/or vision coverage for the worker and all other persons covered on the worker's policy must be included.

For any benefit period that the employer continues their contribution towards health care benefits at the same rate as they did on the date of injury, the contribution amount will not be included in the calculation for gross monthly wages. When the employer stops contributing towards health care benefits, the amount of the employer contribution should be included in the gross monthly wage, even if the worker has not lost healthcare coverage due to a banked hours system, family medical leave act, etc. (*Dept. of L&I v Granger*).

Example:

Anthony, a construction worker was injured on October 21, 2010; he was off work from the date of injury through December 15, 2010. At the time of his injury he was earning \$4,800.00 per month and his employer was contributing \$620.00 per month towards his healthcare benefits. The employer did not contribute to his union healthcare benefits after the date of injury. Due to his banked hours he never lost his healthcare benefits. Since his employer stopped their contributions to his healthcare benefits immediately, his gross monthly wage for his time-loss calculation for the day after the injury would be \$5,420.00.

Employers who contribute to health care benefits for their workers are required to calculate two gross monthly wages on each claim: one wage that includes the value of the employer's contribution to health care benefits, and one that does not.

Example:

Angela is a supervisor with a monthly salary of \$3,800.00. In addition to her salary, the employer contributes \$300.00 per month for medical, dental, and vision coverage for Angela and her family.

Gross monthly wage at the time of injury:

Excluding the value of health care benefits: \$3,800.00

(This is the gross monthly wage which will be used as long as the employer continues to contribute to health care benefits.)

Including the value of health care benefits: \$3,800.00 + \$300.00 = \$4,100.00

(This is the gross monthly wage which will be used if the employer stops contributing to health care benefits.)

If an employer stops contributing to different benefits at different times, then it will be necessary to compute more than two wages. For example, the employer stops contributing towards dental but continues their contribution for medical benefits, at that point the value of the dental contribution would be included as part of the gross monthly wage. If the employer later ceases to contribute towards medical benefits the value of that contribution would then be included into the gross monthly wage also.

Example:

Shayla is a secretary with a monthly salary of \$4,200.00. In addition to her salary, the employer contributes \$250.00 per month for medical and \$100.00 per month for dental coverage for Shayla and her family.

Gross monthly wage at the time of injury:

Excluding the value of health and dental care is \$4,200.00 (This is the gross monthly wage which will be used as long as the employer continues to contribute to health and dental benefits.)

Including the value of dental benefits: $\$4,200.00 + \$100.00 = \$4,300.00$
(This is the gross monthly wage which will be used if the employer stops contributing to dental benefits but continues to contribute to health care benefits.)

Including the value of dental and health care benefits: $\$4,200.00 + \$250.00 + 100.00 = \$4,550.00$ (This is the gross monthly wage which will be used if the employer stops contributing to dental and health benefits.)

Wage Calculation Examples

Example 1:

On April 5, 2013, Colby injured his back lifting a computer at work. At the time of his injury he was working 8 hours per day, Monday through Friday, and earned \$27.50 per hour. He also had a part-time job on the weekend earning \$400.00 per month. His employer contributed \$525.00 per month to his healthcare benefits. He was married and had 2 dependents under the age of 18.

See page 1, [SIF-5A](#) – Total Monthly Wage Summary.

Claim Number:	*	Claimant Name:	Colby
Date of Injury:	4/5/2013	Employer Name:	Helpful Hints Computer Tips
Preparer Name:	Cathy Claim Manager		
Date Form(s) Prepared:	4/15/2013	Preparer Phone:	360-555-5555
		Ext.	

Wage Order	
Are you requesting a wage order be issued on this claim?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Bonuses	
Complete this section, and attach an SIF5A - Sub 3 form, if the employee received any bonuses.	Monthly Value of Bonuses: \$0.00

Health Care Benefits			
Complete this section if the employer contributed at the time of injury.	Monthly contribution to medical benefits:	\$525.00	Date coverage will end: 12/31/2013
	Monthly contribution to dental benefits:		Date coverage will end:
	Monthly contribution to vision benefits:		Date coverage will end:
	Monthly contribution to health care benefits:	\$525.00	

Other Compensation		
Enter the monthly value for any type of compensation the employee may have received in addition to hourly wages or health care benefits.	Tips/Gratuities:	Driver Mileage:
	Housing/Board:	Equipment/Clothing:
	Fuel:	Driver pickup/delivery:
	Commission:	Piecework:
	Transportation:	Other (explain below):
	Description of "other" wages:	
Total monthly value of other compensation: \$0.00		

Additional Jobs (Other Employers) - for Sub 1 only			
Wages from each job held by the employee at the time of injury must be included in the calculation of the employee's total monthly wage.	Did the employee have more than one paying job at the time of injury? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	If yes, complete separate wage calculation worksheet(s) for each job.		
	\$400.00	+	= \$400.00
Monthly wage, additional Employer #1:	Monthly wage, additional Employer #2:	Monthly wage, additional Employer #3:	Monthly wage for all additional jobs
C&C Landscaping	(Enter Name)	(Enter Name)	

TOTAL MONTHLY WAGE - from SIF5A Calculation forms, and above												
\$4,840.00	+	\$0.00	+	\$0.00	+	\$400.00	=	\$5,240.00	+	\$525.00	=	\$5,765.00
Monthly Wage for job of injury (from Sub 1 or Sub 2 form)		Monthly Value of Bonuses (from Sub 3 form)		Monthly Value of Other Compensation		Monthly Wage for All Additional Jobs		Sub - Total of Monthly Wage		Monthly Value of Health Care Benefits		TOTAL MONTHLY WAGE

TIME-LOSS COMPENSATION RATE CALCULATION					
Date of Injury: 4/5/2013					
Marital/Domestic Partnership status at date of injury: <input type="checkbox"/> Single, Divorced or Widowed <input checked="" type="checkbox"/> Married, Separated or Domestic Partnership					
Number of eligible dependents at date of injury: 2.00					
Time-Loss Compensation Rate, Excluding Health Care Benefits This time-loss rate will be used as long as the employer continues to contribute to the employee's health care benefits.	$\frac{\$5,240.00}{\text{Sub - Total of Monthly Wage}}$	$\times \frac{69\%}{\% \text{ based on family / dependents}}$	$= \frac{\$3,615.60}{\text{*Monthly TL Compensation Rate}}$	$\div \frac{30}{\text{Days per month}}$	$= \frac{\$120.52}{\text{*Daily TL Compensation Rate}}$
	*In no event will the monthly/daily rate exceed the maximum, or will it fall below the minimum, allowed by law (RCW 51.32.090).				
	Does the employee's rate, above, exceed the maximum, or is it less than the minimum, allowed for this claim? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
	If yes, what is the maximum (or minimum) monthly rate this employee can receive				
Time-Loss Compensation Rate, Including Health Care Benefits This time-loss rate will be used when the employer stops contributing to the employee's health care benefits.	$\frac{\$5,765.00}{\text{Total Monthly Wage}}$	$\times \frac{69\%}{\% \text{ based on family / dependents}}$	$= \frac{\$3,977.85}{\text{*Monthly TL Compensation Rate}}$	$\div \frac{30}{\text{Days per month}}$	$= \frac{\$132.60}{\text{*Daily TL Compensation Rate}}$
	*In no event will the monthly/daily rate exceed the maximum, or will it fall below the minimum, allowed by law (RCW 51.32.090).				
	Does the employee's rate, above, exceed the maximum, or is it less than the minimum, allowed for this claim? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
	If yes, what is the maximum (or minimum) monthly rate this employee can receive				
The time-loss rate(s) on this page reflect the rate as of the date of injury. This rate can change: <ul style="list-style-type: none"> • It may decrease if dependent(s) reach an age where they are no longer eligible to be included. • It may increase due to cost of living adjustments. 					

Claim Number:	0	Claimant Name:	Colby	Date of Injury:	4/5/2013
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Use this subsection to calculate the base monthly wage for all employees. The default category for wage is Subsection 1.
 HOWEVER - If the employee is seasonal/intermittent - use the SIF5A Subsection 2.
 If using a "like" employee to determine the wage you must also use the SIF5A Subsection 4.
 Choose the method that most closely represents the employment pattern for the employee.

Salaried Employee

Use this method when the employee earns a fixed monthly salary.

Monthly Salary = _____
Monthly Wage
Overtime hours should be calculated separately using averaging of hours.

Regularly Scheduled Hourly Employee - Including Minor Variations

Use this method when the employee worked a regular schedule, or worked a regular schedule with a minor variation. TO determine if the regular schedule had more than a minor variation, use the "Calculation of Minor variation for a Regularly Scheduled Employee" guidelines at the bottom of subsection 1.

Note: This method is used when the employee is paid at only one rate of pay.

If the employee worked a varying number of days per week, or received multiple rates of pay, the monthly wage must be calculated using average hours per day or average hours per month. Go to the "Representative Period Used for Averaging Hours" section.

Number of days worked per week:

\$27.50	x	8	x	22	=	\$4,840.00
<i>Hourly Rate</i>		<i>Hours per day</i>		<i>*Days per month</i>		<i>Monthly Wage</i>

**Days per month are defined by law and are based on the number of days worked per week.*

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

"Regularly scheduled" means the employee works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern.

Overtime hours should be calculated separately using averaging of hours.

For any additional jobs, a wage calculation on the appropriate section of a **separate SIF-5A** form should be completed. You do not need to send in a full SIF-5A for the additional job, only the portion used to calculate the wages. For this example since Colby's hours and days varied during the month for his job other job, his wages for that job were calculated using the "Averaging Hours Per Month" section and the representative period was 3 months prior to the injury.

Representative Period Used for Averaging Hours*

If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.

From: 1/1/2013 To: 3/31/2013

Reason the representative period was chosen:

3 months immediately prior to injury (default)

6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)

12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)

Other period. Explain:

*When determining the specific dates to use for the representative period, use the following number of full pay periods.

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Attach corresponding payroll documentation for the representative period.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.

Number of days worked per week:

	÷	0.01	=	0.00	
<i>Total hours worked in the period</i>		<i># of days worked in the period</i>		<i>Average hours per day</i>	

Use two decimal points when calculating average hours per day.

*Rounding:
Numbers ending in 0-4 should be rounded down.
Numbers ending in 5-9 should be rounded up.*

	x	0.00	x	=	\$0.00
<i>Hourly Rate</i>		<i>Average hours per day</i>		<i>*Days per month</i>	<i>Monthly Wage</i>

**Days per month are defined by law and are based on the number of days worked per week.*

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

Averaging Hours Per Month (for monthly wage)

Use this method when the number of days worked per week varies, but the employee is paid at only one rate of pay.

	÷	3	=	32.00		x	\$12.50	=	\$400.00
<i>Total hours in period</i>		<i># of months in period</i>		<i>Average hours per month</i>			<i>Hourly Rate</i>		<i>Monthly Wage</i>

Example 2:

Kristen was injured at work on May 2, 2013. At the time of her injury she was working 5 days per week but her hours varied. Her employer contributed \$867.00 per month to her

healthcare benefits. Kristin was single with 3 dependent children under the age of 18. In the 3 months prior to her injury she worked 546 hours, earning \$22.97 per hour.

Claim Number:		Claimant Name:	Kristen
Date of Injury:	5/2/2013	Employer Name:	SuperPlus Plumbing
Preparer Name:	Cathy Claim Manager		
Date Form(s) Prepared:	5/14/2013	Preparer Phone:	360-555-5555

Wage Order	
Are you requesting a wage order be issued on this claim?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Bonuses	
Complete this section, and attach an SIF5A - Sub 3 form, if the employee received any bonuses.	Monthly Value of Bonuses: \$0.00

Health Care Benefits			
Complete this section if the employer contributed at the time of injury.	Monthly contribution to medical benefits:	\$867.00	Date coverage will end: 12/31/1999
	Monthly contribution to dental benefits:		Date coverage will end:
	Monthly contribution to vision benefits:		Date coverage will end:
	Monthly contribution to health care benefits:	\$867.00	

Other Compensation		
Enter the monthly value for any type of compensation the employee may have received in addition to hourly wages or health care benefits.	Tips/Gratuities:	Driver Mileage:
	Housing/Board:	Equipment/Clothing:
	Fuel:	Driver pickup/delivery:
	Commission:	Piecework:
	Transportation:	Other (explain below):
	Description of "other" wages:	
Total monthly value of other compensation: \$0.00		

Additional Jobs (Other Employers) - for Sub 1 only			
Wages from each job held by the employee at the time of injury must be included in the calculation of the employee's total monthly wage.	Did the employee have more than one paying job at the time of injury? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	If yes, complete separate wage calculation worksheet(s) for each job.		
	_____ + _____ + _____ = \$0.00		
	Monthly wage, additional Employer #1: (Enter Name)	Monthly wage, additional Employer #2: (Enter Name)	Monthly wage, additional Employer #3: (Enter Name)

TOTAL MONTHLY WAGE - from SIF5A Calculation forms, and above												
\$4,244.86	+	\$0.00	+	\$0.00	+	\$0.00	=	\$4,244.86	+	\$867.00	=	\$5,111.86
Monthly Wage for job of injury (from Sub 1 or Sub 2 form)		Monthly Value of Bonuses (from Sub 3 form)		Monthly Value of Other Compensation		Monthly Wage for All Additional Jobs		Sub - Total of Monthly Wage		Monthly Value of Health Care Benefits		TOTAL MONTHLY WAGE

TIME-LOSS COMPENSATION RATE CALCULATION

Date of Injury: 5/2/2013

Marital/Domestic Partnership status at date of injury: Single, Divorced or Widowed Married, Separated or Domestic Partnership

Number of dependents at date of injury: 3

Time-Loss Compensation Rate, Excluding Health Care Benefits This time-loss rate will be used as long as the employer continues to contribute to the employee's health care benefits.	$\frac{\$4,244.86}{\text{Sub - Total of Monthly Wage}} \times \frac{66\%}{\% \text{ based on family / dependents}} = \frac{\$2,801.60}{\text{*Monthly TL Compensation Rate}} \div \frac{30}{\text{Days per month}} = \frac{\$93.39}{\text{*Daily TL Compensation Rate}}$
	<p>*In no event will the monthly/daily rate exceed the maximum, or will it fall below the minimum, allowed by law (RCW 51.32.090).</p> <p>Does the employee's rate, above, exceed the maximum, or is it less than the minimum, allowed for this claim?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
	If yes, what is the maximum (or minimum) monthly rate this employee can receive

Time-Loss Compensation Rate, Including Health Care Benefits This time-loss rate will be used when the employer stops contributing to the employee's health care benefits.	$\frac{\$5,111.86}{\text{Total Monthly Wage}} \times \frac{66\%}{\% \text{ based on family / dependents}} = \frac{\$3,373.82}{\text{*Monthly TL Compensation Rate}} \div \frac{30}{\text{Days per month}} = \frac{\$112.46}{\text{*Daily TL Compensation Rate}}$
	<p>*In no event will the monthly/daily rate exceed the maximum, or will it fall below the minimum, allowed by law (RCW 51.32.090).</p> <p>Does the employee's rate, above, exceed the maximum, or is it less than the minimum, allowed for this claim?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
	If yes, what is the maximum (or minimum) monthly rate this employee can receive

The time-loss rate(s) on this page reflect the rate as of the date of injury. This rate can change:

- It may decrease if dependent(s) reach an age where they are no longer eligible to be included.
- It may increase due to cost of living adjustments.

Representative Period Used for Averaging Hours				
<p>If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.</p>	From:	1/27/2013	To: 4/27/2013	
	Reason the representative period was chosen:			
	<input checked="" type="checkbox"/> 3 months* immediately prior to injury (default)			
	<input type="checkbox"/> 6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)			
<input type="checkbox"/> 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)				
<input type="checkbox"/> Other period. Explain:				
<p>*When using a 3 month representative period, use the following number of pay periods:</p> <ul style="list-style-type: none"> • For monthly payroll, use 3 full pay periods. • For semi-monthly payroll, use 6 full pay periods. • For bi-weekly payroll, use 6.5 pay periods. • For weekly payroll, use 13 full pay periods. 				
Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)				
<p>Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.</p>	Number of days worked per week:			
	$\frac{546}{65} = 8.40$ <p>Total hours worked in the period</p>	$\frac{65}{65}$ <p># of days worked in the period</p>	$= 8.40$ <p>Average hours per day</p>	<p>Use two decimal points when calculating average hours per day.</p> <p>Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.</p>
<p>Paid Vacation and Sick Leave should be included in the Total Hours Worked.</p>	$\frac{\$22.97}{8.40} \times 22 = \$4,244.90$ <p>Hourly Rate</p>	$\times 8.40$ <p>Average hours per day</p>	$\times 22$ <p>*Days per month</p>	$= \$4,244.90$ <p>Monthly Wage</p>
<p>This section may also be used to calculate overtime hours at the regular hourly rate of pay for workers who are regularly scheduled or salaried.</p>	*Days per month are defined by law and are based on the number of days worked per week.			
	Days worked per week	Days per month		
	1	5		
	2	9		
	3	13		
	4	18		
	5	22		
	6	26		
7	30			

Time-loss

Family Status and Dependents [RCW 51.32.010](#), [RCW 51.32.060](#), [RCW 1.16.100](#)

A worker receives a percentage of wages based upon family status and number of dependents at the time of injury. A worker is entitled to 60% of their gross monthly wage. An additional 5% is added for a spouse and 2% for each dependent child up to five children.

Example:

Erica is married with three dependent children on the date of injury.

She is entitled to:

60% for herself
5% for spouse
6% for children (3children x 2%)
71% total percent

Registered Domestic Partnership

For claims with dates of injury or occupational disease on or after December 3, 2009, a worker who has a registered domestic partner will have the same rights and benefits as a worker with a spouse. Per [RCW 1.16.100](#) references to spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to state registered domestic partnerships.

Example:

Brock was injured after December 3, 2009. He had a registered domestic partner and one dependent child on the date of injury.

He is entitled to:

60% for himself
5% for registered domestic partner
2% for child
67% total percent

Definition of Child [RCW 51.08.030](#)

“Child” means every natural born child, posthumous child, stepchild, child legally adopted prior to the injury, child born after the injury where conception occurred prior to the injury, and dependent child in the legal custody and control of the worker, all while under the age of

eighteen years, or under the age of twenty-three years while permanently enrolled at a full time course in an accredited school, and over the age of eighteen years if the child is a dependent as a result of a physical, mental, or sensory handicap.

- A child conceived prior to the date of injury but born after the date of injury entitles the worker to an additional 2% of the gross monthly wage effective the date of the child’s birth.
- Compensation for dependent children continues until 18 years or until 23 years if enrolled in a full-time accredited school. If the child is 18 years old and is a full time student at an accredited school, the child’s portion is paid directly to the child up to the age of 23. ([RCW 51.32.025](#))
Note: a student enrolled in a school but not attending classes during summer, winter, or spring break **is** still entitled to their portion of time-loss.
- Compensation is continued without regard to age if the child is a “dependent invalid child”. The dependent portion in the case of an invalid child is paid directly to the legal guardian. ([RCW 51.32.025](#))

The following table lists the percentages of the gross monthly wage an injured worker is entitled to for each conjugal status:

Single with no dependents	60%
Single with one dependent	62%
Single with two dependents	64%
Single with three dependents	66%
Single with four dependents	68%
Single with five dependents	70%
Married with no dependents	65%
Married with one dependent	67%
Married with two dependents	69%
Married with three dependents	71%
Married with four dependents	73%
Married with five dependents	75%

The following is a list of variations in family/dependent status upon which time-loss compensation rates are based:

1. Single on date of injury – pay as single.
2. Married after date of injury – pay as single.
3. Married after date of injury and children conceived and born after injury – pay as single with no dependent.

4. Married prior to date of injury – pay as married
5. Married with dependent children on date of injury – pay as married with 2% for each dependent child up to five children.
6. Legally separated but not divorced on date of injury – pay as married.
7. Divorced prior to date of injury – pay as single.
8. Divorced after date of injury – pay as married.
9. Married and spouse dies after date of injury – pay as married.
10. Married with no dependent children on date of injury, both husband and wife have compensable claims – both are paid as married.
11. Married with dependent children on date of injury, both husband and wife have compensable claims – both are paid as married, only worker with higher time-loss rate receives allowance for children’s portion.
12. Married at the time of injury, after injury adopts children – pay as married.
13. Married at the time of injury, child conceived prior to date of injury and born after date of injury – pay as married. Pay for dependents portion beginning with date of birth.
14. Married at the time of injury with one child over 18 who is an invalid and dependent on worker – pay as married with one dependent.
15. Married at time of injury with one child of any age who is an invalid who is being cared for in a state institution – married if the worker is not contributing to the institution for the child’s care. Pay as married with one child if the worker is making payment to the institution.

Time-loss Compensation Formula

For dates of injury on or after July 1, 1971, the time-loss compensation rate is based on the worker’s gross wage, family status and number of dependent children on the date of injury.

Once the worker’s gross monthly wage, family status and number of dependent children have been determined, the monthly time-loss compensation rate can be computed. The following formula is used in making this calculation.

Monthly Time-loss Compensation Rate

$$\text{Gross Monthly Wage} \times \text{Family/Dependent Percentage} = \text{Monthly Time-loss Compensation Rate}$$

Example:

Fran’s gross monthly wage is \$4,500.00; she is married with two dependents at the time of injury.

$$\begin{array}{rcl}
 \$4,500.00 & & \$3,105.00 \\
 \text{Gross Monthly} & & \text{Monthly Time-loss} \\
 \text{Wage} & \times & \text{Percentage} \\
 & & = \text{Compensation Rate}
 \end{array}$$

Determining the Child’s Portion

When the identity of the custodial parent is unclear, children should still be assigned to the claim, however the claim manager should withhold the children’s portion when making payment. Once the custodial parent has been identified, the payment must be released to the custodial parent. The child’s portion is paid to the parent/guardian with legal custody. ([RCW 51.32.010](#))

Example:

On his SIF-2, Jim lists divorced with two dependents and indicates he does not have custody. His gross monthly wage is \$4,000.00.

$$\begin{array}{l}
 \$4,000.00 \times 60\% = \$2400.00 \text{ (Jim’s portion of time-loss)} \\
 \$4,000.00 \times 4\% = \$160.00 \text{ (children’s portion of time-loss paid to guardian with legal custody)}
 \end{array}$$

Maximum Time-loss Compensation Rate [RCW 51.32.060](#) (5), [RCW 51.32.090](#) (9)

Maximum time-loss compensation rates are based on a percentage of the statewide average monthly wage for the previous calendar year. The Employment Security Department computes the statewide average wage. (See [Maximum Time-Loss Rates Chart](#))

The percentage of the statewide average monthly wage used to calculate maximum time-loss compensation rates has changed from time to time over the years, so the actual rate depends upon the date of injury.

- For injuries occurring between **7-1-71 and 6-30-88**, the maximum rate a worker can receive per month is **not greater than 75%** of the statewide average monthly wage.
- For injuries occurring between **7-1-88 and 6-30-93**, the maximum rate a worker can receive per month is **not greater than 100%** of the statewide average monthly wage.
- For injuries occurring between **7-1-93 and 6-30-94**, the maximum rate a worker can receive per month is **not greater than 105%** of the statewide average monthly wage.

- For injuries occurring between **7-1-94 and 6-30-95**, the maximum rate a worker can receive per month is **not greater than 110%** of the statewide average monthly wage.
- For injuries occurring between **7-1-95 and 6-30-96**, the maximum rate a worker can receive per month is **not greater than 115%** of the statewide average monthly wage.
- For injuries occurring **on or after 7-1-96**, the maximum rate a worker can receive per month is **not greater than 120%** of the statewide average monthly wage.

Determining the Child’s Portion When Worker is at Maximum Time-loss Rate

If a worker is entitled to time-loss compensation at the maximum rate the following formula is used to determine the dependent’s portion:

$$(\text{children's \%}) \div (\text{total \%}) \times (\text{max. TL rate}) = \text{children's portion}$$

Example:

On her SIF-2, Jessica lists single with two dependents and circles she does not have custody. She is at the maximum monthly time-loss rate of \$4,472.10.

$$.04 \div .64 \times \$4,472.10 = \$279.51$$

(children’s %) ÷ (total %) x (max. TL rate) = children’s portion

$$\$4,472.10 (\text{max. TL rate}) - \$279.51 (\text{children's portion}) = \$4,192.59 (\text{worker's portion})$$

Minimum Time-loss Compensation Rate [RCW 51.32.060 \(5\)](#), [RCW 51.32.090 \(9\)](#)

The [Minimum Time Rates Chart](#) shows the minimum time-loss rate workers are entitled to receive depending on the date of injury.

Minimum Time-loss Rate for Dates of Injury on or After July 2, 2008

For dates of injury on or after July 2, 2008 the minimum time-loss rate is 15 percent of the state’s average monthly wage plus \$10 if the worker has a spouse and \$10 for each dependent child up to five children. If the worker’s gross monthly wage is less than 15% of the state’s average monthly wage then the worker is entitled to a time-loss rate equal to 100% of their gross monthly wage or the minimum rate in effect prior to July 2, 2008, whichever is higher.

You can use the Minimum Time-Loss Calculation Worksheet to help determine the benefit the worker is entitled to.

Minimum Time-Loss Calculation Worksheet		
For use when the standard time-loss calculation is less than SAW ②		
Calculate gross monthly wage (GMW)	\$_____	①
Calculate new minimum (SAW) + \$10 for spouse and each dependent	\$_____	②
Old minimum from chart	\$_____	③
If SAW ② is less than GMW ① pay SAW ② .		
If SAW ② is more than GMW ① pay GMW ① or old minimum ③ whichever is greater.		

Example - 15% of the States Average Monthly Wage:

Allison was injured on September 14, 2008. She was earning \$9.50 an hour and worked 3 hours per day, Monday through Friday. She was married with two dependents at the time of injury.

$$\$9.50 \times 3 = \$28.50$$

$$\$28.50 \times 22 \text{ (per RCW)} = \$627.00 \text{ (gross monthly wage)}$$

$$\$627.00 \times .69 = \$432.63 \text{ (standard time-loss formula)}$$

\$589.01 (\$559.01 State's average wage minimum for date of injury, plus \$10.00 for spouse and \$20.00 for two dependents.)

Minimum Time-Loss Calculation Worksheet		
For use when the standard time-loss calculation is less than SAW ②		
Calculate gross monthly wage (GMW)	\$ <u>627.00</u>	①
Calculate new minimum (SAW) + \$10 for spouse and each dependent	\$ <u>589.01</u>	②
Old minimum from chart	\$ <u>283.00</u>	③
If SAW ② is less than GMW ① pay SAW ② .		
If SAW ② is more than GMW ① pay GMW ① or old minimum ③ whichever is greater.		

Answer: \$589.01(minimum time-loss rate)

The standard calculation for time-loss \$432.63, is less than the minimum time-loss rate of \$589.01. Since her gross monthly wage is more than that minimum time-loss rate she is entitled to the minimum time-loss rate of \$589.01.

Alternate Recipient Calculation

In the above example if the worker's two dependents were in the custody of an alternate recipient, you would pay the dependent's portion to the alternative recipient. Pay worker 15% of the state's average monthly wage plus \$10.00 for spouse. Pay alternate recipient \$20.00 (\$10.00 for each dependent).

\$589.01	Total time-loss compensation rate
<u>-\$20.00</u>	Alternate recipient portion
\$569.01	Worker's portion

Increases in the minimum time-loss rate of 15 percent of the state's average wage

[RCW 51.32.060](#) says "**in no event** shall the monthly payments provided in this section" "... be less than fifteen percent of the average monthly wage in the state as computed under [RCW 51.08.018](#)...". Workers whose compensation rate is set at this minimum must always continue to be paid at no less than 15 percent of the **current** average monthly wage for the state.

These workers aren't entitled to a cost of living adjustment (COLA) for the first July after the date of injury. They **are** entitled to an increase in their time-loss rate if there is an increase in the state's average monthly wage on July 1st.

Example 1

Reese was injured on February 15, 2012. He was single with 2 dependents at the time of his injury. His time-loss rate for the date of injury was established to be \$622.03 (\$602.03 + \$20.00 for 2 dependents).

On July 1, 2012 he was not entitled to a COLA on his time-loss rate since it was the 1st July after the date of injury. However, 15 percent of the state's average monthly wage plus dependents had increased to \$643.68. Since his minimum monthly payment cannot be less than 15 percent of the average monthly wage, he was entitled to a time-loss rate adjustment based on that amount.

February 15, 2012 (DOI) – June 30, 2012

monthly time-loss rate
15% of the DOI SAW (602.03)
plus \$20.00 for dependents
\$622.03

July 1, 2012

monthly time-loss rate
15% of the new SAW (623.68)
plus \$20.00 for dependents
\$643.68

On July 1, 2013, the second July 1st after his date of injury Reese was entitled to a COLA on his time-loss rate.

July 1, 2012 – June 30, 2013		July 1, 2013
monthly time-loss rate	7/1/2013 COLA	monthly time-loss rate
\$643.68	x 1.03409	= \$665.62

The July 1, 2013 COLA on his time-loss keeps his time-loss rate above 15 percent of the July 1, 2013 state’s average wage (644.94 + \$20.00 for 2 dependents = \$664.94).

On claims with earlier dates of injury, the annual July 1st COLA kept workers’ time-loss rate at or above 15 percent of the state’s average wage. On July 1st 2011 there was a COLA freeze on all time-loss. Effective July 1st 2011 workers with rates originally set at 15 percent of the state’s average wage were not entitled to a COLA but their minimum time-loss rate was bumped up to 15 percent of the state’s average wage for July 1, 2011.

Example 2

Chloe was injured on August 15, 2008. She was married with 3 dependents at the time of her injury. Her time-loss rate at the date of injury was established to be \$599.01 (\$559.01 + \$40.00 for spouse and 3 dependents).

She was entitled to a COLA on her time-loss rate on every July 1st after her date of injury until the July 1, 2011 when there was a freeze on all COLAs. Since [RCW 51.32.060](#) says “**in no event** shall the monthly payments provided in this section” “.... be less than fifteen percent of the average monthly wage in the state as computed under [RCW 51.08.018](#). On July 1, 2011, she became entitled to the 15% of the state’s average wage minimum time-loss rate in effect on that date plus \$40.00 for her spouse and three dependents (\$642.03).

Dates	TL Rate
August 15, 2008 (DOI) - June 30, 2009	\$599.01
July 1, 2009	\$599.01 x 1.03432 (COLA) = \$619.57
July 1, 2010	\$619.57 x 1.01939 (COLA) = \$631.58
July 1, 2011	COLA Freeze – New Rate = \$602.03 + \$40.00 = \$642.03
July 1, 2012	\$642.03 x 1.03596 = \$665.12
July 1, 2013	\$665.12 x 1.03409 = \$687.79

Note: incremental COLAs, not cumulative should always be used to calculate time-loss for workers whose time-loss rate is set at 15 percent of the state’s average wage.

loss or the “old minimum time-loss rate” of \$283.00 whichever is higher. Her gross monthly wage is higher so that will be her time-loss rate.

Alternate Recipient Calculation

In the above example if the worker’s two dependents were in the custody of an alternate recipient, you would pay the dependent’s portion to the alternative recipient. The calculation for the alternate recipient is to subtract 2% for each dependent’s portion of the worker’s rate. The worker’s time-loss is 100% of their gross monthly wage of \$472.50. The alternate recipient is entitled to 4% of the \$472.50.

$$\begin{aligned} \$472.50 \times 4\% &= \$18.90 && \text{Alternate recipient portion} \\ \$472.50 - 18.90 &= \$453.60 && \text{Worker’s portion of time-loss} \end{aligned}$$

Minimum Time-loss Rate in Effect Prior to July 2, 2008

If the worker’s gross monthly wage is less than 15% of the state’s average wage then the worker is entitled to a time-loss rate equal to 100% of their gross monthly wage or the “old” minimum time-loss rate, whichever is higher.

Example of Minimum Time-loss Rate in Effect Prior to July 2, 2008:

Aaron was injured on February 12, 2009. He was earning \$9.00 per hour and worked 2 hours every Saturday. He was single with 2 dependents at the time of injury.

$$\$9.00 \times 2 = \$18.00$$

$$\$18.00 \times 5 \text{ (per RCW)} = \$90.00 \text{ (gross monthly wage)}$$

$$\$90.00 \times 64\% = \$57.60 \text{ (standard time-loss formula)}$$

$$\$579.01 \text{ (minimum time-loss rate for single with 2 dependents)}$$

$$\$253.00 \text{ (“old” or minimum time-loss rate prior to 7/2/08)}$$

Cost of Living Adjustments [RCW 51.32.075](#)

Between July 1, 1971 and June 30, 2011, all workers receiving time-loss benefits were entitled to automatic cost of living adjustments (COLA) effective each July 1st. Workers receiving the minimum and maximum time-loss compensation rates are also entitled to COLA adjustments.

Effective July 1, 2011 there was a freeze on all COLAs through June 30, 2012.

Example:

Kari was injured on February 21, 2011. Her time-loss rate at the time of injury was \$2,400.00. Since there was no COLA on July 1, 2011 her time-loss rate remains \$2,400.00 until the July 1, 2012 COLA.

For workers with dates of injury or manifestation on or after July 1, 2011 no COLA adjustments shall be made until the second July 1st following the date of injury or manifestation.

Example:

Karlee was injured on August 12, 2011. She will not be entitled to a COLA until July 1, 2013.

There are two methods to calculate COLAs.

Yearly increment (inc) factors:

To use the [Cost of Living Adjustment \(COLA\) Chart](#) to compute the July 1 COLA on a year to year basis:

- Compute the monthly time-loss rate as of the date of injury.
- Multiply the time-loss rate by the increment (inc) factor for the July 1 after the date of injury.
Exception: Skip the first COLA for claims with dates of injury or manifestation on or after July 1, 2011.
- Multiply that figure by the increment (inc) factor of the next July 1st to compute the time-loss rate after the second COLA and so on until all the COLA's have been computed.

Example:

Brenda was injured on May 2, 2007. Her time-loss rate at the time of injury was \$930.00. To compute her time-loss rate as of July 1, 2007:

$$\$930.00 \times 1.05445 \text{ (7/1/07 COLA)} = \$980.64$$

To compute her time-loss rate as of July 1, 2008:

$$\$980.64 \times 1.05018 \text{ (7/1/08 COLA)} = \$1,029.85$$

Cumulative factors:

To use the [Cost of Living Adjustment \(COLA\) Chart](#) to compute the July 1 COLA from the date of injury to several years after without having to compute it year by year:

Note: incremental COLAs, not cumulative should always be used to calculate time-loss for workers whose time-loss rate is set at 15 percent of the state’s average wage.

- Compute the monthly time-loss rate as of the date of injury.
- Multiply the date of injury time-loss rate by the cumulative (cum.) COLA factor of the July 1 year you are updating to.

Example:

Kay was injured on December 6, 2003. Her claim was closed on April 16, 2005. She applied for reopening of her claim and it was granted effective September 1, 2008. She was unable to work and was entitled to time-loss benefits from September 1, 2008. Her time-loss rate as of the date of injury (DOI) was \$900.00.

To compute the time-loss rate as of September 1, 2008:

$$\begin{array}{rclcl} \$900.00 & \times & 1.17870 & = & \$1,060.83 \\ \text{(DOI time-loss rate)} & & \text{(7/1/08 cum. for 12/6/03 DOI)} & & \end{array}$$

\$1,060.83 would be the September 1, 2008 monthly time-loss rate for Kay’s date of injury.

Date of Injury and the First Three Days after the Date of Injury [RCW 51.32.090](#)

Injured workers are never entitled to time-loss for the date of injury.

Workers are not entitled to time-loss compensation or loss of earning power (LEP) for the first three days following the date of injury unless the worker remains disabled on the 14th day following the date of injury. If the worker remains disabled on the 14th day, either on time-loss or LEP, they are entitled to compensation for the first three days. Attempts to return to work do not break the continuity.

Date of First Treatment

If a worker seeks treatment within the first 3 days following the injury and would otherwise be entitled to time-loss benefits prior to the date of first treatment, benefits must be paid. If the worker delays seeking treatment until the 4th day or more following an injury, begin payment of time-loss compensation on the date of first treatment.

Timely Payment of Time-loss Benefits [RCW 51.32.190](#)

Time-loss compensation resulting from an injury or occupational disease must be paid within 14 calendar days of receipt of notice of a claim. Notice of a claim is defined as written documentation of all the following:

- Description of the incident (or occupational disease).
- Worker's signed application for benefits.
- Diagnosis
- Treatment or treatment recommendations.

When computing whether or not the first payment of time-loss was paid within fourteen days, day one would be the date following the date the notice of a claim is received.

Example 1:

Notice of a claim received January 16, 2013

First time-loss paid January 30, 2013

In the scenario time-loss was paid on the fourteenth day.

Example 2:

Notice of a claim received January 16, 2013

First time-loss paid January 31, 2013

In this scenario time-loss was paid on the fifteenth day.

Continuing benefits will be based on certification from the attending provider. They are to be paid at regular semi-monthly or biweekly intervals to ensure speedy financial relief during the worker's disability. (Biweekly: Paying on a schedule of every 14 days. With this schedule, pay the daily time-loss rate. Semi-monthly: Paying on a schedule of twice a month. With this schedule, divide the monthly rate in half and pay twice a month.)

Sometimes a condition will not be disabling until surgery is performed (a hernia, for example). In these instances, time-loss compensation becomes payable effective the date of surgery unless otherwise medically justified. Payment of time-loss must be made within 14 days of the date of surgery or the date of receipt of other medical certification.

Payment of Ongoing Time-loss [RCW 51.36.060](#), [RCW 51.32.190](#), [WAC 296-20-06101](#)

When an industrial injury or occupational disease prevents a worker from returning to gainful employment on an ongoing basis, time-loss compensation must be paid at regular biweekly or semi-monthly intervals. In order to be eligible for continuing time-loss compensation, the injured worker must be receiving regular curative treatment.

The attending medical provider must certify that the worker's ongoing inability to work is the result of the accepted medical condition(s). If an insurer is aware that a worker is off work and that it may be related to an industrial injury or occupational disease, they should ask the provider whether the worker's inability to work is related to their injury.

The attending medical provider must submit medical reports at approximately 60 day intervals to support ongoing time-loss. The certification must include the objective medical findings which support time-loss from work. A treatment plan must also indicate prognosis for recovery and the treatment plan should be curative not palliative.

If a worker is participating in formal vocational rehabilitation services they are eligible for continuing time-loss benefits. When the approved plan involves on-the-job training and earnings, the worker is eligible for loss of earning power benefits.

Terminating Time-loss Compensation

Once the payment of time-loss benefits has begun, the benefits must be continued until one of the following occurs:

- **Released for Full Duty** - When a worker is given a full release to the job of injury, time-loss benefits may be terminated.
Note: If a worker is released for work on the same day they see their provider, time-loss is payable through the end of that day (i.e. worker has an appointment with their provider on January 17th, at the appointment the provider signs a release for work as of January 17th, the same day as their appointment, the worker is eligible for time-loss through the 17th).
- **Found Employable** – When a vocational assessment is conducted and a worker is determined to be employable, time-loss may be terminated after the determination of employability is made.

- **Returns to Work** – When a worker returns to work, they are not eligible for time-loss benefits. If the worker’s earning capacity has decreased as a result of the injury or occupational disease they may be entitled to loss of earning power benefits.

Vacation, Sick Leave, Etcetera While on Time-loss

Receipt of holiday pay, vacation pay, sick-leave, or other similar benefits does not take away from a worker’s entitlement to time-loss benefits. A worker who is unable to work due to an industrial injury or occupational disease and is not being kept on salary is entitled to time-loss compensation even if they are also being paid vacation, sick leave, or other similar benefits.

Employer and/or union contracts may mandate whether an employee can use earned benefits such as vacation and sick leave while a worker is on time-loss. The department will direct payment of time-loss when a worker is entitled, regardless of any earned benefits that may be paid.

Kept on Salary [RCW 51.32.090](#), [RCW 51.32.190](#), [WAC 296-15-420](#)

The self-insured employer will not pay time-loss if a worker is kept on salary (KOS).

KOS means:

- The worker must receive 100% of the wages he or she was receiving from all employment on the date of injury. This includes outside employment is documented by the worker. Payment of anything less does not qualify as KOS and the insurer must pay time-loss benefits.
- The wages must include any compensation the worker would have received if he or she had continued to work including but not limited to:
 - Board, housing, fuel and contributions to health care benefits.
 - Compensation for multiple rates of pay, such as shift differentials.
 - Compensation for any established pattern of overtime hours.
 - Tips and bonuses.

Exception: if the worker doesn’t normally receive wages for an employer’s established holiday, for example, July 4th, the employer is not required to pay the worker for that date.

- The employer may not reduce the worker’s gross pay through deductions except for those required by state or federal law, or for other deductions at the request of the worker.
- The employer must pay the worker’s wages on regularly established paydays at no longer than monthly payment intervals including the first 3 days of disability following the date injury.
- If an employer requires a worker to use earned benefits such as vacation, sick leave or paid time off (PTO), the worker is not considered KOS and is due time-loss.

[RCW 51.32.090\(8\)](#) precludes employers from mandating that workers use their sick leave to keep from paying time-loss compensation.

Self-insured employers must report KOS by reporting the time-loss compensation that would have been due had the worker not been KOS. It must be reported on a [SIF-5](#) within 5 working days of the date the first time-loss payment would have been due.

Buy-Back Policies

Buy back policies are voluntary. The insurer must pay time-loss when the worker is entitled regardless of any employer buy back agreement.

Example:

Jeff chooses the option of sick leave buy-back. His normal gross monthly wage is \$5000.00 per month. While on time-loss he also uses his sick leave so he receives his full \$5000.00 per month salary, in turn he signs his time-loss check over to his employer to buy-back part of the sick leave benefit he used for that month.

Payment to Minor Workers [RCW 51.04.070](#)

The law requires that any disability payments becoming due to a worker under the age of 18 years “...shall be paid to his or her parent, guardian, or other person having legal custody.” The parent or guardian can, with written authorization, allow payments to be made directly to the minor worker.

Volunteers [RCW 51.12.035](#), [RCW 51.12.170](#), [WAC 296-17-930](#)

A volunteer is defined as a person who performs any assigned or authorized duties for an employer by choice, receives no wages and is registered and accepted as a volunteer. A worker could still be considered a volunteer even if they receive maintenance and reimbursement for actual expenses necessarily incurred in performing their authorized duties. In most cases, volunteers injured in the course of employment are only entitled to medical aid benefits. Under [RCW 51.12.140](#), volunteer law enforcement officers may be covered for all applicable death, disability and medical aid benefits under this title if the municipal corporation maintaining and operating the law enforcement department elects to cover all of its volunteer law enforcement officers and files written notice of coverage to the director.

Retired Workers [WAC 296-14-100](#)

If a worker has removed themselves from the labor market by voluntarily retiring, time-loss benefits are not payable. This is true even if the worker becomes temporarily unable to work as a result of the industrial injury or occupational disease after voluntarily retiring. However it must be documented that the retirement was voluntary, as a worker is entitled to time-loss benefits when the retirement is caused by the effects of the industrial injury or occupational disease.

Voluntary retirement is most commonly encountered in reopened claims and in new claims filed for occupational diseases which have a prolonged incubation period (such as asbestosis). A worker will be considered retired and no longer attached to the work force if all the following conditions are met:

- The worker is not receiving income, salary, or wages from any gainful employment,
- The worker has provided no evidence to show a bonafide attempt to return to work after retirement, and
- The injury or occupational disease was not a proximate cause of the decision to retire.

Once it is determined that a worker has voluntarily retired from the work force, the self-insurer cannot reinstate benefits.

Exception: If following the voluntary retirement the worker was re-employed at bona fide continuous employment, the department will no longer consider the worker voluntarily retired. If the worker then becomes unable to work due to the industrial injury, the worker would be entitled to time-loss.

Incarceration [RCW 51.32.040](#)

Worker Incarcerated After Date of Injury

No time-loss is payable directly to workers incarcerated and under sentence while:

- Confined in an institution.
- On a home monitoring program and sentenced to remain at home.

Beneficiaries of workers who were incarcerated after the date of injury should receive the workers time-loss compensation benefits while the worker is confined. If no beneficiary exists, no time-loss compensation benefits are paid.

Workers may again become eligible for time-loss compensation benefits under the following circumstances, once:

- No longer confined.
- Released or paroled.
- Released to a half-way house.
- On work release unless both:
 - Their participation is canceled, and
 - The worker is returned to full confinement.

Workers Injured While Performing Community Service or Restitution [RCW 51.12.045](#)

Workers who are injured while performing community service or restitution may be eligible for time-loss.

Registered Apprentices or Trainees [RCW 51.12.130](#)

All persons registered as apprentices or trainees with the state apprenticeship council and participating in supplemental and related instruction classes conducted by a school district, a community college, a vocational school, or a local joint apprenticeship committee, shall be considered as workers of the state apprenticeship council and subject to the provisions of Title 51 RCW for the time spent in actual attendance at such supplemental and related instruction classes.

For computing time-loss compensation payments, the actual wage rate during employment should be used.

Disability Benefits From Other Jurisdictions [RCW 51.12.120](#)

It is possible for a claim to be filed for the same injury in two different jurisdictions. This is most common in cases when a worker is temporarily working in a different state. Some jurisdictions allow workers to file an industrial injury claim in their state regardless of where the injury occurred. The Washington State Industrial Insurance Laws do not preclude this. However it is appropriate under these circumstances to reduce any benefits received in Washington State by the benefits received from another jurisdiction.

Provisional Time-loss Payments [RCW 51.32.190](#), [RCW 51.32.210](#), [WAC 296-15-420](#) (2)(3)

When a determination regarding claim allowance cannot be made immediately, usually because the employer is still investigating validity, or when a decision cannot be made immediately regarding reopening a claim, the department or self-insured employer is required to make “provisional” payments of time-loss compensation when it is otherwise appropriate. The payment of “provisional” time-loss is not considered a binding determination on the self-insurer, department or worker. Provisional payments must be made as long as appropriate until a determinative order is issued.

The department and the self-insurer have the right to recover provisional time-loss paid if the claim is rejected or the reopening application is denied. All provisional time-loss payments must contain notification to the worker that the department or self-insurer will recover any monies paid if the claim is rejected or the reopening is denied. Occasionally a claim will be received from a worker for an injury or occupational disease which occurred months prior to filing of the claim. In many of these instances, more information will be needed prior to a determination regarding claim allowance. If the worker is contending

temporary total disability from the time of injury consider payment of provisional time-loss compensation from the date notice of the claim is received. This action should only be taken on claims which a significant delay has transpired in the filing of the claim and a decision regarding allowance cannot be made immediately. If the claim is later allowed, the claims manager must then consider time-loss benefits for the previous period.

Provisional time-loss cannot be paid on open, allowed claims.

Unemployment Compensation

The receipt of unemployment compensation does not necessarily mean that a worker is not entitled to time-loss compensation. Although effective June 11, 1986 an individual is not entitled to both time-loss and unemployment compensation, there are times an injured worker may have collected unemployment benefits when, they should actually have been collecting time-loss benefits due to an industrial injury. If a worker who has collected unemployment benefits will now be receiving time-loss benefits, it is important that Employment Security is notified so they can decide whether to issue an overpayment.

DSHS – Division of Child Support Liens [RCW 74.20A.030](#), [RCW 74.20A.100](#), [RCW 74.20A.260](#)

When a lien is received from Division of Child Support (DCS, formerly Office of Support Enforcement) it must be acted upon immediately. DCS liens are payable after the claim manager makes the following deductions: Social Security offset, overpayments and alternate recipient payments. DCS liens apply to time-loss, loss of earning power and permanent partial disability awards. A DCS lien filed against a worker's benefits requires self-insurers or the department to withhold a monthly dollar amount or up to fifty percent of time-loss or loss of earning power benefits and up to fifty percent of a permanent partial disability award.

When Office of Financial Recovery (OFR) also makes a lien, the lien for DCS is honored first.

Any lien received after claim closure still applies to any remaining permanent partial disability payments.

DSHS – Office of Financial Recovery Liens [RCW 43.20B.720](#), [RCW 43.20B.730](#), [RCW 43.20B.735](#), [RCW 43.20B.745](#)

When the Office of Financial Recovery (OFR) is advised by the department or by the worker that they are or may be receiving time-loss benefits during a period where they were also receiving public assistance benefits, OFR may file a lien.

OFR liens are payable after the claim manager makes the following deductions: Social Security offset, overpayments, alternate recipient payments and Division of Child Support liens.

OFR liens apply to time-loss, loss of earning power, and permanent partial disability benefits awards.

Deductions from Time-Loss Compensation Payments

Except as provided in [RCW 43.20B.720](#), [RCW 72.09.111](#), [RCW 74.20A.260](#), [RCW 51.32.240](#) and [RCW 51.32.380](#), no other deductions may be made from time-loss or LEP compensation.

[RCW 51.32.040](#) prohibits any other creditors from garnishing workers' disability benefits and prohibits workers from voluntarily assigning their benefits to any other creditors.

Deductions cannot be taken from time-loss or LEP compensation benefits for car payments, disability insurance, healthcare insurance, etc.

Social Security Offset [RCW 51.32.220](#), [RCW 51.32.225](#), [RCW 51.32.230](#)

If a worker receiving monthly compensation benefits also begins receiving Social Security Benefits, the worker or self-insurer should immediately notify the Social Security Offset Section. Future benefits may be reduced depending on the effective date of the offset. The total amount from both agencies will not be less than the worker would be entitled to receive from L&I alone.

Social Security Offset Benefit Specialists determine the amount of any reduction, correlating state industrial insurance laws with federal laws. Then, they apply the reduction to the workers monthly compensation benefits and monitor state and federal rates for any necessary adjustments.

Self-insurers are to provide the following in their request for a Social Security offset review:

- We received acknowledgment of the worker's application for and/or receipt of Social Security benefits, on ___/___/___ (include the referenced documentation).
- The current ongoing monthly compensation benefits began ___/___/___ and continue. Submit printout of the claims benefit payment history, i.e. time-loss, LEP and permanent partial disability. Include the beginning and ending dates of each payment, the date of the payment, and the payment amount.
- The self-insured employer intends to instate monthly compensation benefits for the period beginning ___/___/___ through ___/___/___, and continue payments.
- This claim is currently in litigation, with a possibility of payment of compensation benefits. The self-insured employer has been advised of the worker's application and/or receipt of Social Security benefits. Please verify worker's approval of Social Security benefits.
A wage order was issued on ___/___/___ . The self-insured employer's monthly contribution to health care benefits continues. (Or) The self-insured employer's monthly contribution to health care benefits has been terminated. **Note:** List the date the self-employer's

contribution to health care benefits ended and the end date of each coverage type (medical, dental, vision).

No wage order has been issued. **Note:** Provide completed SIF wage forms for worker's work pattern and earnings, along with documentation required in accordance with the SIF wage forms submitted. List the date the employer's contribution to health care benefits ended and the end date of each coverage type (medical, dental, vision).