

INTRODUCTION

This booklet has been prepared by the Division of Workers' Compensation to provide information and guidelines in handling Iowa workers' compensation claims. For more detailed information, reference should be made to Iowa Code chapters 85 through 87, 17A and chapter 876 of the Iowa Administrative Code. (References to specific code sections appear in parenthesis throughout this booklet.)

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WEEKLY BENEFITS

A. TYPES OF WEEKLY BENEFITS

Temporary Total Disability (TTD) [85.32, 85.33(1)]

When an injury results in more than three calendar days of disability, the employee may be entitled to TTD benefits beginning on the fourth day and continuing until the employee has returned to work or is medically capable of returning to substantially similar employment, whichever occurs first. The three-day waiting period becomes payable if the disability period exceeds fourteen calendar days.

Temporary Partial Disability (TPD) [85.32(2-5)]

TPD benefits may be payable if the employee returns to work at a lesser paying job, because of the injury. The TPD benefit amount is to be 66 2/3 percent of the difference between the employee's average gross weekly earnings at the time of the injury and the employee's actual earnings while temporarily working at the lesser paying job. The three-day waiting period (explained above) also applies to TPD.

Healing Period (HP) [85.34(1)]

During the period of recuperation from an injury which produces a permanent impairment, the employee may be entitled to HP benefits beginning on the first day of disability after the injury and continuing until the occurrence of one of the following events:

- (1) the employee returns to work;
- (2) it is medically indicated that significant improvement from the injury is not anticipated; or
- (3) the employee is medically capable of returning to employment substantially similar to the employment in which the employee was engaged at the time of the injury.

No waiting period applied to HP benefits.

Permanent Partial Disability (PPD) [85.34(2)]

When a job-related injury results in a permanent disability, the employee may be entitled to PPD benefits based upon the degree of permanent disability. The PPD benefits are payable in addition to the HP benefits and are to begin at the termination of the healing period. There are two types of PPD benefits:

- (1) Scheduled Member Disabilities – An employee's entitlement to PPD benefits when a scheduled member is involved is based on functional impairment. Below is a list of the scheduled body members along with the value (in number of weeks) for each member.

	Weeks
Loss of thumb.....	60
Loss of first finger.....	35
Loss of second finger.....	30
Loss of third finger.....	25
Loss of fourth finger.....	20
Loss of hand.....	190
Loss of arm.....	250
Loss of great toe.....	40
Loss of any other toe.....	15
Loss of foot.....	150
Loss of leg.....	220
Loss of eye.....	140
Loss of hearing in one ear.....	50
Loss of hearing in both ears.....	175
Permanent disfigurement, face or head.....	150

This schedule represents the number of weeks of benefits payable for 100% loss, or loss of use, of the body member. If the permanent partial disability rating is less than 100%, the percentage rating is multiplied by the number of weeks shown. For example a 20% loss or loss of use of a thumb would be computed as 20% of 60 weeks or 12 weeks of PPD benefits.

- (2) Body As A Whole Disabilities – When an injury results in a permanent disability to the body as a whole, it is referred to as industrial disability. Factors to be considered in determining industrial disability include the employee's medical condition prior to the injury, immediately after the injury, and presently; the situs of the injury, its severity and the length of healing period; the work experience of the employee prior to the injury, after the injury and potential for rehabilitation; the employee's qualifications intellectually, emotionally and physically; earnings prior and subsequent to the injury; age; education; motivation; functional impairment as a result of the injury; and inability because of the injury to engage in employment for which the employee is fitted. Loss of earnings caused by a job transfer for reasons related to the injury is also relevant. There are no weighting guidelines that indicate how each of the factors is to be considered. Once the degree of the industrial disability is determined, the percentage rating is multiplied by the total value of the body as a whole (500 weeks) to determine the number of weeks payable.

Permanent Total Disability (PTD) [85.34(3)]

When a job-related injury leaves an employee incapable of returning to gainful employment, the employee may be entitled to PTD benefits. The PTD benefits are payable as long as the employee remains permanently totally disabled.

Death Benefits (DEA) [85.28, 85.31, 85.42, 85.43, 85.44]

Death benefits are payable to the dependents of the employee. Benefits are first payable to the surviving spouse for life or until remarriage. Dependent children are entitled to the benefit until they reach age 18, or age 25 if they are actually dependent. Others may qualify, if there is a showing of actual dependency. Upon remarriage, if there are no dependent children, the surviving spouse is entitled to a two-year lump sum settlement. Burial expenses, not to exceed twelve times the statewide average weekly wage in effect at the time of death, are paid in addition to the weekly death benefits (statewide average weekly wage is \$728.29).

B. HOW TO COMPUTE WEEKLY BENEFIT RATES

Determine employee's average gross weekly earnings and round to the nearest dollar. (Refer to section D, pages V-VI for specific instructions and guidelines.) Determine MAXIMUM number of exemptions to which the employee is ENTITLED for actual dependency, blindness and old age. [85.61(6)] Weekly compensation benefits are based upon a seven-day calendar week. Each day of weekly compensation benefits due are calculated by multiplying the employee's weekly compensation benefit rate by the decimal equivalents of the number of days as follows: [876-8.6 IAC]

- 1 day = .143 x weekly rate
- 2 day = .286 x weekly rate
- 3 day = .429 x weekly rate
- 4 day = .571 x weekly rate
- 5 day = .714 x weekly rate
- 6 day = .857 x weekly rate

C. MAXIMUM AND MINIMUM BENEFIT RATES [85.31, 85.34, 85.37, 85.61(9)]

The injured employee's weekly benefit rate is based on 80% of the employee's weekly spendable earnings but is not to exceed the maximum allowable weekly rate at the time of the injury.

Maximum weekly rate for TTD, HP, PTD and death benefits is \$1457.00.

Maximum weekly rate for PPD benefits is \$1340.00.

The minimum weekly benefit amount for TTD or HP is equal to either the weekly benefit amount of a person whose gross weekly earnings are thirty-five percent (35%) of the statewide average weekly wage OR the spendable weekly earnings of the employee, WHICHEVER IS LESS. The minimum weekly benefit amount for PPD, PTD or death benefits is equal to the weekly benefit amount of a person whose gross weekly earnings are thirty-five percent (35%) of the statewide average weekly wage.

Statewide average weekly wage is \$728.29.

35% of statewide average weekly wage is \$255.00.

D. HOW TO COMPUTE AVERAGE GROSS WEEKLY EARNINGS [85.36, 85.61(3), 876-8.2 IAC]

The basis of compensation shall be the gross weekly earnings of the injured employee at the time of the injury. The Iowa Code defines gross earnings as recurring payments, by the employer to the employee, before any authorized or lawfully required deduction or withholding of funds, EXCLUDING irregular bonuses, retroactive pay, overtime pay, penalty pay, reimbursement of expenses, expense allowances, and employer's contribution for welfare benefits.

The word "overtime" as used in section 85.61(3) of the Code means amounts due in excess of the straight time rate for overtime hours worked. Such excess amounts shall not be considered in determining gross weekly wages within section 85.36 of the Code. Overtime hours at the straight time rate are included in determining gross weekly earnings. If extra benefits (earnings other than cash such as rent, food, etc.) are received as part of an employee's wages, the weekly value of the extra benefits is to be included in the computation of the employee's gross weekly earnings. If the extra benefits are continued during the period of time the employee is entitled to temporary disability benefits (TTD, HP, or TPD), the value of the extra benefits can be considered as a portion of payment in lieu of compensation and subtracted from the temporary disability benefits.

The law provides various methods of computing the gross weekly earnings, dependent upon the method of payment of wages and, in some cases, upon the classification of the employee.

If the employee worked full-time at the time of the injury, earning the same amount each pay period, the method of computation depends on the length of time between pay periods, Iowa Code Sections 85.36(1) through (5) provide the following:

Weekly pay period – gross weekly earnings equal the weekly gross amount.

Biweekly pay period – gross weekly earnings equal the biweekly gross amount divided by 2.

Semimonthly pay period – gross weekly earnings equal the semimonthly gross amount multiplied by 24 and divided by 52.

Monthly pay period – gross weekly earnings equal the monthly gross amount multiplied by 12 and divided by 52.

Yearly pay period – gross weekly earnings equal the yearly gross amount divided by 52.

If the employee worked *full-time* at the time of the injury, earning different amounts based on the employee's output each pay period, Iowa Code Sections 85.36(6) and (7) provide that the gross weekly earnings equal the total earnings (from the employer for whom the employee was working at the time of the injury) during the 13 weeks prior to the injury, divided by 13. The total earnings should exclude premium pay, but include overtime hours at the straight time hourly rate. If the employee was absent from employment for reasons personal to the employee during part of the thirteen calendar weeks preceding the injury, the employee's weekly earnings shall be the amount the employee would have earned had the employee worked when work was available to other employees of the employer in a similar occupation. A week which does not fairly reflect the employee's customary earnings shall be replaced by the closest previous week with earnings that fairly represent the employee's customary earnings.

If the employee has not worked for the employer for a 13-week period prior to the injury, the gross weekly earnings are to be computed by determining the total amount the employee would have earned had he been employed (and worked when work was available to similar employees) and dividing that amount by 13. If the earnings of other employees cannot be determined, the employee's weekly earnings shall be the average computed for the number of weeks the employee has been in the employ of the employer.

If the employee worked *part-time* at the time of the injury, Iowa Code Section 85.36(9) provides that the gross weekly earnings equal the total earnings from all employment during the 12 months prior to the injury divided by 50. (Generally an employee who works less than 30 hours per week is considered part-time.)

If the employee was a volunteer fire fighter, volunteer emergency rescue technician, emergency medical care provider, reserve peace officer, volunteer ambulance driver or emergency medical technician trainee at the time of the injury, Iowa Code Section 85.36(9a) provides that the earnings of these individuals shall be disregarded and these individuals shall be paid an amount equal to what he or she would be paid if injured in the course of his or her regular employment OR an amount equal to 140% of the statewide average weekly wage (\$1019.61), whichever is greater.

Elected or appointed officials shall be paid an amount based on the official's weekly earnings as an official or an amount equal to 140% of the statewide average weekly wage (\$1019.61). [85.36(11a & b)]

Other methods of computation of the gross weekly earnings for proprietors, limited liability company members, partners, officers of a corporation, apprentices, trainees, employees whose earnings have not been fixed or cannot be ascertained, inmates etc. can be found in Iowa Code Section 85.36.

E. WHEN WEEKLY BENEFITS ARE DUE

Weekly benefit payments are to begin on the eleventh (11th) day following the injury and continue each week thereafter during the period the employee is entitled to benefits. If payments are not paid when due, the employee may be entitled to interest or penalty benefits. Interest is currently payable at a rate of ten percent (10%) and a penalty of up to fifty percent (50%) of the amount of delayed benefits can be awarded, under certain circumstances. [85.30, 86.13]

If commenced, the payments shall be terminated only when the employee has returned to work, or upon thirty days notice stating the reason for the termination and advising the employee of the right to file a claim with the workers' compensation commissioner. [86.13]

F. HOW TO COMPUTE INTEREST ON LATE PAYMENTS

Three steps are usually necessary to compute the interest due on past due weekly benefits. In the first step, the principal from week to week, while in the second step, the principal remains constant because all payments are accrued.

Step 1 – compute the interest while the benefits are payable by applying the following instructions to the 10% interest table on page X of this booklet.

Locate the number of weeks during which the benefits are payable in column A.

Locate the interest multiplier from that line in column B.

Multiply the weekly benefit amount by the interest multiplier to determine the interest payable.

Example: 52 weeks at \$200.00 per week
interest multiplier is 2.55
 $\$200.00 \times 2.55 = \510.00 of interest

Step 2 – compute the interest from the end of the period during which benefits are payable until the date the benefits are actually paid by using the following formula:

$$I = P \times R \times T$$

I = interest

P = principal – total number of weeks/days of compensation due multiplied by the compensation rate

R = rate of interest (10%)

T = time – number of weeks from end of period during which benefits are payable until date of payment, divided by 52.

Step 3 – add the two types of interest together.

MEDICAL BENEFITS

[85.27, 85.39, 876-8.1 IAC, 876-8.5 IAC]

A. SERVICES AND SUPPLIES

All reasonable services and supplies such as crutches, artificial members, appliances and permanent prosthetic devices to treat the injury are payable.

Artificial members or orthopedic appliances, which are damaged or made unusable by circumstances arising out of and in the course of employment (other than through ordinary wear and tear) are to be repaired or replaced by the employer/insurance carrier.

Crutches, artificial members or appliances, which are damaged or made unusable in conjunction with a work injury entitling the employee to disability benefits or medical benefits are to be repaired or replaced by the employer/insurance carrier.

Crutches, artificial members or appliances, which are damaged in connection with employee actions taken to avoid a work injury are to be repaired or replaced by the employer/insurance carrier.

Appliances are defined as hearing aids, corrective lenses, orthodontic devices, dentures, orthopedic braces or any other artificial device used to provide function or for therapeutic purposes.

B. TRANSPORTATION EXPENSES

Necessary transportation expenses, as outlined, are also payable if the expenses are incurred in the course of treatment of the injury:

- 1.) Mileage incidental to the use of a private auto.

Mileage rates for the current year and previous years are listed below:

July 1, 2011 \$.51	July 1, 2010 \$.50	
July 1, 2009 \$.55	July 1, 2008 \$.585	July 1, 2007 \$.485
July 1, 2006 \$.445	August 1, 2005 \$.405	July 1, 2005 \$.29
July 1, 2004 \$.29	July 1, 2003 \$.29	July 1, 2002 \$.29
July 1, 2001 \$.29	July 1, 2000 \$.29	July 1, 1999 \$.24
July 1, 1998 \$.24	July 1, 1997 \$.24	July 1, 1996 \$.24
July 1, 1995 \$.21	July 1, 1994 \$.21	July 1, 1993 \$.21
July 1, 1992 \$.21	July 1, 1991 \$.21	July 1, 1990 \$.21

- 2.) Meals and lodging if incidental to the examination/treatment.
- 3.) Cost of public transportation.
- 4.) Taxi fares or other forms of local transportation if incidental to the use of public transportation.
- 5.) Ambulance service or other means of transportation.

C. LOST WAGES FOR TREATMENT

Under certain circumstances an employee who has to leave work for medical treatment may be eligible for payment of lost wages. [85.27]

D. DEBT COLLECTION PROHIBITED

While a contested case proceeding or a dispute on reasonableness of a fee is pending, the Medical Care Provider cannot seek payment of its charges from the employee. [85.27, 876-10.3(9)]

VOCATIONAL REHABILITATION BENEFITS [85.70]

An employee who has a permanent partial or permanent total disability which makes return to gainful employment impossible may be entitled to a payment of \$100.00 per week (up to thirteen weeks) if the employee is actively participating in a vocational rehabilitation program. An additional thirteen weeks may be paid if approved by the workers' compensation commissioner.

WORKERS' COMPENSATION COMMISSIONER FORMS AND FILINGS [876-2.5, 2.6, 3.1, 11.6 IAC]

Effective July 1, 2001, all First Reports of Injury and Subsequent Reports of Injury (claim information) must be filed electronically utilizing the methods set forth in the Iowa Workers' Compensation Act and Administrative Rules.

Every employer shall keep a record of all injuries ALLEGED by an employee to be job-related.

First Report of Injury (FROI) [86.11] is to be filed with the workers' compensation commissioner's office within four (4) days after notice or knowledge of an ALLEGED injury when the injury results in:

- a. temporary disability for a period longer than three (3) days, or
- b. permanent partial disability, or
- c. permanent total disability, or
- d. death.

Subsequent Report of Injury (SROI) is to be filed to reflect the current status of the claim, and will include the commencement of payment, rate calculation, payment report, and/or denial. The commencement of payment notice must be filed within 30 days of the first payment of weekly compensation benefits. (86.13) The insurer shall mail a final payment report to the employee at the employee's last known address. (876-2.6 IAC)

Medical Reports [876-3.1 IAC] reflecting the return to work or recuperation date and the permanent impairment rating, if any, are to be filed only if the claim involves disability in excess of 13 weeks or permanent disability. These reports should be mailed or faxed directly to the Iowa Division of Workers' Compensation with a completed Medical Report Transmittal Form (DWC Form 14-0141).