

THE WORKERS' COMPENSATION PAYMENT PROCESS

There are 2 kinds of time loss workers' compensation payments to employees. All time loss is subject to determination of eligibility for payment by the Department of Employee Relations, Workers' Compensation Division. The two types of payments are:

1. **Time loss for substantiated medical appointments or treatment** is paid at 100 % of the employee's current rate of pay.
2. **Indemnity payments** for time off work due to an inability to work or disability. This is paid at approximately 2/3 of the employee's average weekly wage at the time of injury, subject to statutory minimums and maximums.

Average Weekly Wage is the average of earned income during the 26 weeks prior to the date of injury. It is normally based on the employee's days and hours of work and current hourly rate unless the employee's work schedule prior to the injury was intermittent or irregular. If the schedule was intermittent or irregular the 26 Week Wage Form must be completed to determine the average weekly wage. This form can be found on the DOER Workers' Compensation Website. Do not complete this form unless requested to do so by the MnSCU Office of the Chancellor or the DOER claims specialist assigned to the particular case. Average weekly wage for student workers and faculty is as follows:

Student Worker – Use an average weekly wage computation based on the student worker's current hourly rate and regularly scheduled days and hours of work. The official hourly rate, and any additional remuneration granted, for the student worker must be obtained from the office that processes student payroll. Contact the student worker's supervisor to determine if the student has a regular work schedule. If the student did not have a regular schedule for the 26 weeks prior to the date of injury, the 26 Week Wage Form must be completed.

Faculty – The calculation of faculty salary was defined by the MN Workers' Compensation Court of Appeals. Calculate the average weekly wage for faculty members by taking the total earnings under the employee's contract(s), including summer sessions and overload, and dividing those earnings by the actual weeks that the employee was under an obligation to perform services for the employer for the prior year. More information is available on the MnSCU HR Website at http://www.hr.mnscu.edu/workcomp/calc_avg_wage.html Contact the MnSCU OOC for assistance.

There are minimums and maximums that are applicable to the average weekly wage. These are determined by the claims administrator, as is the official weekly workers' compensation rate. The weekly compensation rate is determined as of the date of injury. Although an employee may have later increases in his/her hourly rate, this increase does not affect the average weekly wage computation for workers' compensation purposes.

If an employee has no worked time during a complete payroll period due to time loss related to a workers' compensation injury, the employee must still complete a time sheet or leave documentation. Faculty and Administrators who use positive time reporting must complete leave documentation for any workers' compensation related time loss.

If a faculty member is injured in the course and scope of work during a sabbatical, the injury could be a compensable workers' compensation injury. If such an instance arises, call the OOC to consult.

Responsible Party		Steps
1.	Supervisor	Injury/incident occurs or employee reports cumulative trauma injury. The employee must sign the Tennessee warning and complete the leave supplement form; both must be turned in to HR/Workers' Compensation Coordinator. Both forms are available on the MnSCU Work Comp Website
2.	Supervisor	The First Report of Injury form and the Agency Claims Investigation form must be completed by the supervisor and submitted to HR. At some campuses, the Work Comp Coordinator, security or the Safety Coordinator may work cooperatively with the supervisor to complete the Agency Claims Investigation form and any supplemental data.
3.	HR/Workers' Compensation Coordinator	HR/WC Coordinator must inform payroll of every reported workers' compensation injury. Coordination must take place between Payroll and HR so that each instance of time loss is acknowledged and reported. Provide Payroll with a copy of the employee's completed leave supplement form.
4.	Supervisor	Employee must be instructed that all instances of work comp time loss must be recorded on the time sheet. The supervisor must clearly designate work comp related time loss and the type of time loss, whether for medical appointment or disability, before approving time sheet.
5.	Payroll	Review time sheets for work comp related time loss. Forward any time sheets or leave documentation with wc related time loss to the HR Office/WC Coord.
6.	Work Comp Coordinator / Payroll	The Work Comp Coordinator must receive a copy of the time sheet with wc related time loss from the payroll office, either medical time loss or indemnity. Indicate on time sheet the employee's current rate of pay for any medical treatment time loss and fax it to the claim specialist assigned to the employee's case at the DOER Workers' Compensation Division.
7.	DOER W/C	Claim specialist will approve payment for any reported time loss based on documentation where appropriate.
8.	DOER W/C	DOER W/C issues a check directly to employee out of the work comp revolving fund. Amount of payment made to the employee is billed back to the MnSCU Workers' Compensation Risk Pool.
9.	Payroll	Review the leave supplement form for all time sheets with work comp related time loss.
10.	Payroll/HR	Go to SEMA 4 Help and follow the thorough instructions on processing payroll for an employee who has work comp related time loss and any attendant payments by the WC Division for that time loss. Payroll must review SEMA4 for any workers' compensation payments made to the employee that will affect payroll. (http://www.sema4.state.mn.us/html/doc/eng/webhelp/hrpayrol.htm) **Note** An employee can be coded for LWO hours only if they are being paid at all through payroll, i.e. paid for either time worked or paid leave. If they have no time worked and have no leave supplement in addition to the work comp payment, the LWO earnings code cannot be used. Employees who are unpaid must be placed on an appropriate leave of absence. FMLA leave runs concurrently with WC related leave, either paid or unpaid, up to the maximum of the employee's FMLA eligibility. Following expiration of FMLA leave, the employee should then be placed on a WC leave. Refer to

		SEMA4 help for appropriate coding.
12.	HR/Supervisor	<p>In SCUPPS, the employee's current assignment must be adjusted with a negative adjustment using the WC assignment type. This negative adjustment will be for any amounts paid by workers' compensation. The amounts paid by workers' compensation cannot also be paid against the employee's assignment. An employee cannot receive more than 100% of normal pay between worked time, paid leave time and workers' compensation payments. Based on the report of work ability received by the supervisor who forwards the information to the HR office, the SCUPPS assignment must be adjusted as soon as the report is received. If time loss is intermittent, the SCUPPS assignment must be adjusted biweekly as the workers' compensation payment for each pay period is known.</p> <p>**Note** If there is time loss for an employee with more than one assignment, the time loss and resulting workers' compensation payments - if any – must be evenly distributed across all concurrent assignments.</p>



Timesheet Examples - Employee IS working reduced hours

A. Employee IS supplementing with paid leave - Holiday in Pay Period

- Employee is working 4 hours per day and is supplementing with paid leave
 - Workers' compensation pays 2.7 hours per day.
 - Agency pays 5.3 hours for the holiday (4 hours the employee would have worked plus 1.3 hours the employee would have supplemented).
 - Leave accrual is based on 80 hours

Pay Period 2/3/XX - 2/16/XX	W	T	F	S	S	M	T	W	T	F	S	S	M Hol	T	EARN CODE	TOTAL
REGULAR	4	4	4			4	4	4	4	4				4	REG	36
VACATION															FMV/VAC	
SICK	1.3	1.3	1.3			1.3	1.3	1.3	1.3	1.3				1.3	FMS/SIK	11.7
HOLIDAY													5.3		FMH/HOL	5.3
WORKERS' COMP	2.7	2.7	2.7			2.7	2.7	2.7	2.7	2.7			2.7	2.7	FLW/LWO	27
TOTAL	8	8	8			8	8	8	8	8			8	8		80

B. Employee IS NOT supplementing with paid leave - Holiday in Pay Period

- Employee is working 4 hours per day and is not supplementing with paid leave.
- Workers' compensation pays 2.7 hours each day.
- Holiday pay is pro-rated based on the number of hours the employee is normally compensated for hours worked and workers' compensation payments in the pay period.
- Holiday pay in the example below is based on:

- The 6.7 hours per day (67 hours for the pay period) the employee is normally compensated for hours worked and workers' compensation payments. The employee is eligible for 6 hours of holiday pay based on the 67 hours.
- Subtract the number of workers' compensation hours paid per day from the number of hours of holiday pay the employee is eligible for to determine how many holiday hours the Agency must pay for the holiday (6 - 2.7 = 3.3 hours).

Pay Period 1/6/XX - 1/19/XX	W	T	F	S	S	M	T	W	T	F	S	S	M Hol	T	EARN CODE	TOTAL
REGULAR	4	4	4			4	4	4	4	4				4	REG	36
VACATION															FMV/VAC	
SICK															FMS/SIK	
HOLIDAY													3.3		FMH/HOL	3.3
WORKERS' COMP	2.7	2.7	2.7			2.7	2.7	2.7	2.7	2.7			2.7	2.7	FLW/LWO	27
UNPAID FLMA *	1.3	1.3	1.3			1.3	1.3	1.3	1.3	1.3			2	1.3	FML	13.7
TOTAL	8	8	8			8	8	8	8	8			8	8		80

* used if FMLA qualifying leave



C. Employee IS NOT supplementing with paid leave - No Holiday in Pay Period

- Leave accrual is based on 67 hours.

Pay Period 2/3/XX - 2/16/XX	W	T	F	S	S	M	T	W	T	F	S	S	M	T	EARN CODE	TOTAL
REGULAR	4	4	4			4	4	4	4	4			4	4	REG	40
VACATION															FMV/VAC	
SICK															FMS/SIK	
HOLIDAY															FMH/HOL	
WORKERS' COMP	2.7	2.7	2.7			2.7	2.7	2.7	2.7	2.7			2.7	2.7	FLW/LWO	27
UNPAID FLMA *	1.3	1.3	1.3			1.3	1.3	1.3	1.3	1.3			1.3	1.3	FML	13
TOTAL	8	8	8			8	8	8	8	8			8	8		80

* used if FMLA qualifying leave

Timesheet Examples - Employee IS working reduced hours

A. Employee IS supplementing with paid leave - Holiday in Pay Period

- Employee is working 4 hours per day and is supplementing with paid leave
 - Workers' compensation pays 2.7 hours per day.
 - Agency pays 5.3 hours for the holiday (4 hours the employee would have worked plus 1.3 hours the employee would have supplemented).
 - Leave accrual is based on 80 hours

Pay Period 2/3/XX - 2/16/XX	W	T	F	S	S	M	T	W	T	F	S	S	M Hol	T	EARN CODE	TOTAL
REGULAR	4	4	4			4	4	4	4	4				4	REG	36
VACATION															FMV/VAC	
SICK	1.3	1.3	1.3			1.3	1.3	1.3	1.3	1.3				1.3	FMS/SIK	11.7
HOLIDAY													5.3		FMH/HOL	5.3
WORKERS' COMP	2.7	2.7	2.7			2.7	2.7	2.7	2.7	2.7			2.7	2.7	FLW/LWO	27
TOTAL	8	8	8			8	8	8	8	8			8	8		80

B. Employee IS NOT supplementing with paid leave - Holiday in Pay Period

- Employee is working 4 hours per day and is not supplementing with paid leave.
- Workers' compensation pays 2.7 hours each day.
- Holiday pay is pro-rated based on the number of hours the employee is normally compensated for hours worked and workers' compensation payments in the pay period.
- Holiday pay in the example below is based on:

- The 6.7 hours per day (67 hours for the pay period) the employee is normally compensated for hours worked and workers' compensation payments. The employee is eligible for 6 hours of holiday pay based on the 67 hours.
 - Subtract the number of workers' compensation hours paid per day from the number of hours of holiday pay the employee is eligible for to determine how many holiday hours the Agency must pay for the holiday (6 - 2.7 = 3.3 hours).

Pay Period	W	T	F	S	S	M	T	W	T	F	S	S	M	T	EARN CODE	TOTAL
1/6/XX - 1/19/XX													Hol			
REGULAR	4	4	4			4	4	4	4	4				4	REG	36
VACATION															FMV/VAC	
SICK															FMS/SIK	
HOLIDAY													3.3		FMH/HOL	3.3
WORKERS' COMP	2.7	2.7	2.7			2.7	2.7	2.7	2.7	2.7			2.7	2.7	FLW/LWO	27
UNPAID FLMA *	1.3	1.3	1.3			1.3	1.3	1.3	1.3	1.3			2	1.3	FML	13.7
TOTAL	8	8	8			8	8	8	8	8			8	8		80

* used if FMLA qualifying leave

C. Employee IS NOT supplementing with paid leave - No Holiday in Pay Period

- Leave accrual is based on 67 hours.

Pay Period	W	T	F	S	S	M	T	W	T	F	S	S	M	T	EARN CODE	TOTAL
2/3/XX - 2/16/XX																
REGULAR	4	4	4			4	4	4	4	4			4	4	REG	40
VACATION															FMV/VAC	
SICK															FMS/SIK	
HOLIDAY															FMH/HOL	
WORKERS' COMP	2.7	2.7	2.7			2.7	2.7	2.7	2.7	2.7			2.7	2.7	FLW/LWO	27
UNPAID FLMA *	1.3	1.3	1.3			1.3	1.3	1.3	1.3	1.3			1.3	1.3	FML	13
TOTAL	8	8	8			8	8	8	8	8			8	8		80

* used if FMLA qualifying leave



Timesheet Examples - Employee exhausts paid leave

A. No holiday in the pay period

- Leave accrual is based on 71 hours.

Pay Period	W	T	F	S	S	M	T	W	T	F	S	S	M	T	EARN CODE	TOTAL
3/2/XX - 3/16/XX																
REGULAR															REG	
VACATION			.1			2.7	2.7	2.7	1.8						FMV/VAC	10
SICK	2.7	2.7	2.6												FMS/SIK	8
HOLIDAY															FMH/HOL	
WORKERS' COMP	5.3	5.3	5.3			5.3	5.3	5.3	5.3	5.3			5.3	5.3	FLW/LWO	53
UNPAID FLMA *									.9	2.7			2.7	2.7	FML	9
TOTAL	8	8	8			8	8	8	8	8			8	8		80

* used if FMLA qualifying leave

B. Holiday in the pay period

- Employee is not eligible for holiday pay because the employee has exhausted paid leave within the pay period and, therefore, is not in active pay status on the normal workday following the holiday. To be eligible for holiday pay an employee must be in active pay status on the normal workday immediately preceding and following the holiday.

- Leave accrual is based on 73.6 hours.

Pay Period	W	T	F	S	S	M	T	W	T	F	S	S	M	T	EARN CODE	TOTAL
12/23/XX - 1/5/XX													Hol			
REGULAR															REG	
VACATION								1	2.7	1.7					FMV/VAC	5.4
SICK	2.7	2.7	2.7			2.7	2.7	1.7							FMS/SIK	15.2
HOLIDAY															FMH/HOL	
WORKERS' COMP	5.3	5.3	5.3			5.3	5.3	5.3	5.3	5.3			5.3	5.3	FLW/LWO	53
UNPAID FLMA *										1			2.7	2.7	FML	6.4
TOTAL	8	8	8			8	8	8	8	8			8	8		80

* used if FMLA qualifying leave

Timesheet Examples - Employee IS working reduced hours

A. Employee IS supplementing with paid leave – Worker’s Compensation payment submitted but not processed yet.

- Employee is working 4 hours per day and is supplementing with paid leave
 - Workers’ compensation submitted for 2.7 hours per day but not paid yet.
 - Leave accrual is based on 80 hours

Pay Period	W	T	F	S	S	M	T	W	T	F	S	S	M	T	EARN CODE	TOTAL
2/3/XX - 2/16/XX																
REGULAR	4	4	4			4	4	4	4	4			4	4	REG	40
VACATION															FMV/VAC	
SICK	4	4	4			4	4	4	4	4			4	4	FMS/SIK	40
HOLIDAY															FMH/HOL	
WORKERS' COMP															FLW/LWO	
TOTAL	8	8	8			8	8	8	8	8			8	8		80

Timesheet Examples - Employee IS working reduced hours

A. Employee IS supplementing with paid leave – Worker’s Compensation payment processed for prior pay period. Current pay period Workers’ Compensation payment submitted but not yet processed

- Employee is working 4 hours per day and is supplementing with paid leave
- Workers’ compensation submitted for 2.7 hours per day but not paid yet.
- Prior Pay period Workers’ compensation process – prior pay period adjustment needed reducing the sick leave by the Workers’ compensation paid.
- Leave accrual is based on 80 hours

Pay Period	W	T	F	S	S	M	T	W	T	F	S	S	M	T	EARN CODE	TOTAL
2/17/XX - 2/30/XX																
REGULAR	4	4	4			4	4	4	4	4			4	4	REG	40
VACATION															FMV/VAC	
SICK	4	4	4			4	4	4	4	4			4	4	FMS/SIK	40
HOLIDAY															FMH/HOL	
WORKERS' COMP															FLW/LWO	
TOTAL FOR CURRENT PAY PERIOD	8	8	8			8	8	8	8	8			8	8		80
PRIOR PAY PERIOD 02/03/XX-02/16/XX																
SICK (this is adjusting the prior pay period sick leave from 4 to 1.3 hours)	1.3	1.3	1.3			1.3	1.3	1.3	1.3	1.3			1.3	1.3		13.00
WORKERS' COMP	2.7	2.7	2.7			2.7	2.7	2.7	2.7	2.7			2.7	2.7		27.00