

KACo Return to Work - The Most Effective Way to Reduce Indemnity Exposure

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Temporary Total Disability Benefits (“TTD”)

Definition KRS 342.0011 (11)(a)

An employee is temporarily totally disabled when:

1. his/her physical condition has not reached “maximum medical improvement”
and
2. the condition has not improved to a level that permits a “return to employment”

Paid at 2/3 Employee’s Average Weekly Wage (“AWW”) subject to a weekly maximum.



Temporary Total Disability Benefits (“TTD”)

AWW: $\$900 \times 2/3 = \600

TTD rate: \$600

Off 5 weeks

$\$600 \times 5 \text{ weeks} = \mathbf{\$3,000}$

Off 15 weeks

$\$600 \times 20 \text{ weeks} = \mathbf{\$12,000}$



PERMANENT TOTAL DISABILITY (PTD)

For permanent TOTAL disability, the work-related injury must cause a complete and permanent inability to perform any type of work.

PTD takes into consideration: age; education; work history - transferable work skills; geographic locale; impairment rating; and, physical restrictions.

Benefits paid to age 70.



Permanent Total Disability (PTD) Benefits Calculations

AWW: $\$900 \times 2/3 = \600

PTD weekly benefit: \$600

Age: 45 at time of injury (benefits to age 70)
PTD benefits for 25 years (1300 weeks)

$\$600 \times 1300 \text{ weeks} = \mathbf{\$780,000}$



Permanent Partial Disability (PPD)

PPD Benefit Multipliers

3x Multiplier (no return to work)

If the employee does not have the physical capacity to return to the pre-injury job, the PPD “basic” benefit is multiplied 3x (also increased for lower education and age)



PPD Benefit Calculation Examples

3x Multiplier (No Return to Work)

10% Impairment Rating - \$68 weekly

- ▶ **3x multiplier (non-return to work multiplier)**
- ▶ $\$68 \times 3.8$ (add on for age/education) = \$258 weekly
- ▶ $\$258.40 \times 425$ weeks = \$109,820 (total weekly payout)
- ▶ **Lump sum: \$106,523**



PPD Benefit Calculation Examples

1x Multiplier (Return to Work)

10% Impairment Rating = \$68 weekly

- ▶ 1x multiplier (return to work)
- ▶ $\$68 \times 1 = \68
- ▶ $\$68 \times 425 \text{ weeks} = \$28,900$ (total weekly payout)
- ▶ Lump sum: **\$28,032**



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