

### Office Space

### CAREER COUCH

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# Financial Side Effects of On-the-Job Injuries

**Q.** You hurt your back at work and the doctor has prescribed a few weeks of recovery at home. How long will you have to wait before disability benefits kick in?

**A.** Probably not too long for basic workers' compensation benefits, which usually start after a waiting period of three to seven days.

**Mark Webb, vice president for governmental relations at Employers Direct Insurance Company, an insurer in Agoura Hills, Calif.,** says that most employees are eligible for benefits under the workers' compensation systems of their states. "The assumption going in is that the workplace will be a safe place to work," he said. "In the event that this isn't the case, workers' compensation exists to get you compensated, healthy and back to work as quickly as possible."

**Q.** Will these benefits cover your entire salary?

**A.** How much you will receive depends on how much you earn and on where you live.

Workers' compensation laws differ by state. Most require employers to replace up to two-thirds of the pre-injury wage until the employee can return to work, but there is a catch: the maximum paid each week varies by state. The cap ranges from \$351.14 in Mississippi to \$1,133 in Iowa. In New York, it is \$400.

For highly paid employees, the benefits often amount to only a small portion of their usual income. "For most people, getting injured is going to create a significant financial hardship no matter how you look at it," said Marsha Fitzgerald, director of Lifetime Health BusinessWorks, a managed-care provider in Rochester.

**Q.** Could other benefit programs help?

**A.** Yes, but it becomes complicated.

Many employers offer group disability insurance as part of benefits packages. In most cases, you must be enrolled for at least 30 days before the day of the accident. Such programs are mandatory for many businesses in five states: California, Hawaii, New Jersey, New York and Rhode Island.

This insurance generally covers half to two-thirds of total pre-injury wages, often with a cap of \$5,000 a month. Virginia Reno, vice president for income security policy at

the National Academy of Social Insurance, a nonprofit research organization, said that this insurance is "typically reduced dollar for dollar by any other coverage you get."

If weekly workers' comp payments max out at 40 percent of salary, she said, disability insurance would pay only another 10 to 27 percent, depending on your coverage. Employees may also buy supplemental insurance, which can provide an additional amount — raising total coverage to 80 percent.

## When it comes to workers' compensation, different states offer different benefits.

Craig Dedrick, assistant vice president at Carpenter, Cammack & Associates, an insurance broker in Charlotte, N.C., said that repetitive stress injuries might not be covered under some disability insurance policies. "When it's a soft injury, when you can't see broken bone, employers and insurers are skeptical," he said.

**Q.** If you're not recovering quickly, what are your options?

**A.** Depending on where you live, your initial workers' compensation coverage usually lasts for up to six months, at which point other forms of workers' compensation coverage may kick in. Benefits from the Social Security Administration may also be available if you have been out of work at least five months and expect to be out at least a year.

Etti Baranoff, associate professor of insurance and finance at Virginia Commonwealth University in Richmond, said employees seeking these Social Security benefits must prove that they are unable to do work of any kind. "This is the most stringent

definition of an inability to work," said Ms. Baranoff, author of "Risk Management and Insurance" (Wiley, 2003). These benefits are available whether or not your injury happened at work, but the claims process can stretch on for many months, and you may need a lawyer to prove that you qualify.

In rare cases — when a work-related injury necessitates years of physical therapy or ends a career — an employee may qualify for both Social Security and workers' comp benefits. Ms. Reno said federal law prohibited these combined benefits from exceeding 80 percent of the pre-injury wage.

**Q.** Once you start feeling better, should you ease your way back into work?

**A.** First, get clearance from your doctor. If the doctor says you're ready only for light duty, you may want to ask your employer whether your job can be modified.

Still, such transitional duty may have financial consequences, said Rebecca Shafer, president of Amass Risk Solutions, a consulting firm in Mansfield, Conn. Your employer may not want to pay full-time wages for part-time work and your insurance may not cover the gap.

**Q.** Can you lose your job while you're recovering from a work-related injury?

**A.** In many cases, yes. Frank Melton, a partner at the law firm Rutter Hobbs & Davidoff in Century City, Calif., says employers may not be obliged to guarantee that an injured worker's job will be available when the worker returns. In some cases, employees may be protected under the Americans With Disabilities Act, but Mr. Melton noted that if injured employees could not perform essential functions of their jobs with reasonable accommodation, or there were no other positions for which they were qualified, they could be let go.

He added that in most states, before firing a recuperating employee who was injured on the job, employers must first prove that they could not function effectively with temporary workers.

"If a position is so technical and difficult that it just isn't viable for a temp, an employer may be able to make a move," he said.