

WORKERS' COMPENSATION PREVIEW

California Department of Human Resources

July 2016

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WORKER'S COMPENSATION SYSTEM

What is Workers' Compensation?

The workers' compensation system provides benefits to employees for work-related injuries or illnesses. These benefits may include medical treatment, payments for lost wages, payments that compensate the injured employee for having a permanent impairment or limitation, vouchers to pay for retraining, and death benefits.

All State employees are covered by workers' compensation. The cost of this protection is paid by the State of California, the employer. Workers' compensation benefits are tax free and are not subject to Social Security deductions.

The Historic Compromise

The workers' compensation system was designed to trade off rights and benefits between employers and employees. An injured employee gives up the right to pursue an award by suing the employer in civil court, in exchange for a system that is designed to provide prompt delivery of benefits and legal protection against discrimination. The employer provides no-fault workers' compensation coverage to all employees, and in exchange, the employer receives protection against related civil actions. In most cases, workers' compensation is the exclusive remedy for an employee who is injured on the job. This "historic compromise," can be summarized by three components:

- No Fault - The employer is required to pay benefits no matter who caused the injury as long as the injury arose out of employment and in the course of employment.
- Assured and Fixed Benefits - Workers' compensation benefit amounts and timeframes are set by statute.
- Exclusive Remedy – An injured employee cannot pursue other forms of recovery from the employer, even if the employer was grossly negligent. (If there is a third party who caused the injury or death, such as a car accident, that third party may be sued.)

Laws and Regulations

The California Constitution, Article XIV, Section 4, authorizes the Legislature to establish a system of workers' compensation. Over the years, the Legislature has passed a body of laws that define eligibility, the types and levels of benefits, and the method of system operation.

Regulations are more specific than laws and govern the day-to-day operation of the workers' compensation system. Most workers' compensation regulations are in Title 8 of the California Code of Regulations (CCR). The laws and regulations are published annually in a book called "Workers' Compensation Laws of California," also known as the "Labor Code."

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State Personnel Board (SPB) Laws and Rules, the California Department of Human Resources (CalHR) Laws and Rules, and the State Administrative Manual (SAM) also govern State agencies.

How is Workers' Compensation Organized in State Government?

The Legislature has delegated the operation of the workers' compensation system to several divisions within the Department of Industrial Relations (DIR).

The Division of Workers' Compensation (DWC) monitors the administration of workers' compensation claims, and provides administrative and judicial services to assist in resolving disputes that arise in connection with claims for workers' compensation benefits. DWC's mission is to minimize the adverse impact of work-related injuries on California employees and employers.

The Workers' Compensation Appeals Board (WCAB), a seven-member, judicial body appointed by the Governor and confirmed by the Senate, exercises all judicial powers vested in it by the Labor Code. Its major functions include review of petitions for reconsideration of decisions by workers' compensation administrative law judges of the Division of Workers' Compensation and regulation of the adjudication process by adopting rules of practice and procedure.

The Commission on Health and Safety and Workers' Compensation (CHSWC) is a joint labor-management body created by the workers' compensation reform legislation of 1993. CHSWC is charged with examining the health and safety and workers' compensation systems in California and recommending administrative or legislative modifications to improve their operation. The Commission was established to conduct a continuing examination of the workers' compensation system and of the state's activities to prevent industrial injuries and occupational illnesses and to examine those programs in other states. CHSWC also administers the [Worker Occupational Safety and Health Training and Education Program \(WOSHTEP\)](#), which sponsors workplace health and safety training programs and distributes educational materials on job safety.

For additional information and resources provided by the DIR, please visit the following: [Department of Industrial Relations Website](#)

Workers' Compensation for State Departments

The California Department of Human Resources' (CalHR) Workers' Compensation Program manages the State's Master Agreement with State Compensation Insurance Fund (State Fund) to provide workers' compensation claims processing and legal representation for all the participating departments. The Master Agreement is an Interagency Agreement.

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Insurance Code section 11871 provides the authority for State Fund to contract with CalHR on behalf of the departments for the provision of workers' compensation benefits and services.

The Workers' Compensation Program also provides training, advice, consultation, and design of new programs.

For additional information and resources provided by the CalHR, please visit the following: [Workers' Compensation Program Website](#)

State Fund is the claims administrator for the State of California's agencies, departments, boards, and commissions who are legally uninsured under the Master Agreement. The agreement enables the participating departments, in partnership with State Fund and CalHR, to provide all benefits to which their injured employees are lawfully entitled. Under the agreement, State Fund acts as the State of California's adjusting agent and the individual State departments are responsible for the costs associated with workers' compensation claims.

For additional information and resources provided by State Fund, please visit the following: [State Compensation Insurance Fund Website](#)

NOTE: Not all State of California agencies, departments, boards, and commissions are participants in the Master Agreement. Some have opted to purchase an insurance policy from State Fund to cover the risks inherent to the workers' compensation system.

Each State department has someone designated as the Return to Work Coordinator (RTWC). This person is responsible for managing the workers' compensation cases for the department, advising supervisors and employees on the workers' compensation process and the benefits to which an injured employee may be entitled. Most importantly, the RTWC is responsible for assisting injured employees in returning to work as soon as medically feasible.

BASIC CONCEPTS

What is a Compensable Injury?

An employer must provide compensation, without regard to negligence, for any injury sustained by his or her employee arising out of and in the course of the employment. Four basic conditions must be met for a workers' compensation claim to be established:

1. There must be an employment relationship;
2. There must be a medically substantiated "injury;"
3. The injury must occur in the course of employment; and
4. The injury must arise out of employment.

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The physician provides crucial input into the system by defining the injury and establishing whether, and how, the injury is related to the employment. Physicians do not usually provide information regarding the employment relationship or whether the injury occurred in the course of employment.

What is an "Injury?"

Labor Code section 3208 defines an injury:

- Any injury or disease arising out of employment and
- Any reaction to or side effect from preventive health care the employer provides to health care workers (Labor Code section 3208.05).

Injuries may be specific or cumulative. A specific injury occurs as the result of a single incident or exposure. A cumulative trauma injury results from repetitive trauma occurring over a period of time (Labor Code section 3208.1).

In order for a condition to be considered an injury, it must either cause disability or result in a need for medical treatment. A condition that causes no lost time from work, does not interfere with an injured employee's ability to work, or only requires first-aid treatment is not considered an injury within the workers' compensation system.

"First-aid" is defined as any one-time treatment and any follow up visit for the purpose of observation of minor scratches, cuts, burns, splinters, or other minor industrial injury (Labor Code section 5401).

Exclusions

The following types of injuries are excluded from compensation (Labor Code section 3600):

- Caused by the injured employee's intoxication, by alcohol or illegal use of a controlled substance;
- Intentionally self-inflicted;
- Willfully and deliberately caused own death (suicide);
- Caused by an altercation where the employee was the initial aggressor;
- Caused by the commission of a felony, for which he or she has been convicted;
- Caused by participation in off-duty recreational activities, where participation in the activities does not constitute part of the injured employee's work-related duties; or
- Filed after a notice of termination or layoff, unless the injured employee demonstrates that one or more of the following conditions apply:
 - The employer had notice of the injury before the notice of termination or layoff;
 - The employee's medical records existing before the notice of termination or layoff contain evidence of the injury;

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- The date of injury is subsequent to the date of the notice of termination or layoff, but before the effective date; or
- The injury is a cumulative trauma injury or disease that is discovered after the notice of termination or layoff.

What is an Aggravation of a Pre-Existing Condition?

Under California law, an injured employee who suffers an aggravation of a pre-existing disease or underlying condition has sustained a new injury or illness. For example, if an employee has arthritic deterioration in their knee, and then falls on that knee and is unable to continue to work, the fall constitutes an injury. An aggravation causes a temporary or permanent increase in disability, creates a new need for medical treatment, or requires a change in the existing course of treatment.

Symptoms that are a flare-up or recurrence, also sometimes referred to as an "exacerbation" of a previous industrial injury or illness, do not constitute a new injury. Responsibility for compensation would lie with the employer where the original injury was sustained.

What is the "Date of Injury?"

It is necessary to establish the date of injury for every claim filed. In a specific injury, the date of injury is the date the incident or exposure occurred (Labor Code section 5411). In a cumulative injury or occupational illness, the date of injury is the date when the injured employee first suffered disability from the exposure. Or the date the employee knew, or with the exercise of reasonable diligence should have known, that the disability was caused by present or previous employment (Labor Code section 5412). An injured employee may have had symptoms resulting from the cumulative injury or the disease for a period of time, even years, before the date of injury.

The date of injury is important, because it determines:

- The statute of limitations within the workers compensation system;
- The regulations that will apply to the employee's claim;
- The compensation rate for the employee's benefits; and
- The employer who is liable for the claim.

Is the Injury Work Related?

An injured employee has the burden of proof to show by a preponderance of the evidence that an injury is work related. Work activities need not be the sole cause of the injury, or even the primary cause. It is enough that the employment contributed to the injury to any degree.

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The only exception to this rule is in the case of psychiatric injuries, which require the actual events of employment to be the predominant cause among all of the combined causes of the psychiatric injury.

The question of whether an injury is work related is divided into two parts (Labor Code section 3600): Did the injury arise out of employment? And did the injury occur in the course of employment?

Arising out of Employment (AOE)

The physician provides direct evidence on whether, and how, the activities of work have led to the current injury, and answers the question of whether the injury meets the AOE criteria. In a specific injury, establishing AOE may involve giving a description of an incident and the resulting damage to the patient.

Occurring in the Course of Employment (COE)

The question of whether an injury occurred in the COE involves the circumstances of the accident or exposure. If COE is in dispute, a workers' compensation judge will decide the issue based on legal precedents and evidence offered by the employee, employer, and witnesses.

The WCAB and the California Appellate Court have established that activities that are not part of the employee's job description but are incidental to the employment, are included in the COE. For example; employees who travel on behalf of their employer are generally covered by workers' compensation for the entire travel period, unless there is substantial deviation from the agreed upon route. Injuries sustained in employer-owned parking lots, in the rest room, or while the employee is on the premises for a rest break are usually compensable under workers' compensation.

How Risk Factors Affect the Cause of the Injury?

A basic principle of workers' compensation law is that the employer "takes the employee as he finds him or her." The employer cannot avoid liability for a work-related injury by claiming that the injury would not have happened if the injured employee had been in a different physical or emotional condition before the accident. Employees who smoke, or do not get physical exercise are still entitled to workers' compensation benefits for their occupational injuries.

Presumptions About Work-Related Injuries

The Legislature has defined certain conditions (such as hernias, pneumonia, tuberculosis, heart disease, and cancer) as work-related injuries when they affect certain employees, such as fire fighters, peace officers, and correctional employees. These presumptions cover conditions that manifest or develop during the period of active service.

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The laws sometimes include a rebuttable presumption that those conditions are work related. The effect of this presumption is to shift the burden of proof to the employer, who must then show that the condition is not caused by work. If the employer does not meet that burden, workers' compensation benefits must be awarded.

Compensation for Psychiatric Injuries

A psychiatric injury is compensable if it is a diagnosed mental disorder that causes disability or need for medical treatment. An injured employee must prove that the actual events of employment were the predominant cause (51 percent) among all of the combined causes of the psychiatric injury.

For psychiatric injuries that result from a violent act, or from direct exposure to a significant violent act, the actual events of employment must have been a substantial cause (35 percent) of the injury (Labor Code section 3208.3).

A psychiatric injury is not compensable unless the injured employee was employed by his or her employer for at least six months, which need not have been continuous. This requirement does not apply if the injury was caused by a sudden and extraordinary employment condition.

Claims for psychiatric injuries that were substantially caused by "lawful, nondiscriminatory, good faith personnel actions" are prohibited. This prohibition is meant to eliminate claims that were filed by injured employees who suffered stress resulting from personnel actions, such as being served with an Adverse Action, or being placed on Leave Control.

Causation for Psychiatric Injuries

The physician must take a more detailed history when doing a psychiatric evaluation because there are more restrictions on workers' compensation psychiatric claims. The examiner needs to address issues such as the injured employee's developmental history, personal problems, job satisfaction, performance reviews, and reasons for leaving other positions. A psychiatric history should include the injured employee's level of functioning in home, academic, and social settings.

In determining whether there is workplace causation for psychiatric injuries, the examiner will have to rely on depositions, co-workers' statements, personnel records, psychometric test data, academic and military records, and interviews with family members. The examination can take longer than a simple medical examination because the examiner must review this additional data and determine the injured employee's potential exaggeration or minimization of symptoms.

What is an Impairment or Disability?

When the body, organ, or part of the body loses all or part of its function, compared to its previous level of functioning, it is said to be impaired.

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Impairment can be defined in purely medical terms and can be objectively measured. Examples of such impairments are loss of vision or hearing, or a decrease in range of motion. In the workers' compensation system, the physician performs a disability evaluation, which is the basis for determining the nature and extent of impairment. The physician's disability evaluation is used to calculate a disability rating, which determines the amount of permanent disability benefits awarded to an injured employee.

WORKERS' COMPENSATION BENEFITS

Medical Treatment

Treatment that is reasonably required to cure or relieve the effects of the injury is paid for by the employer. This includes medical, surgical, chiropractic, acupuncture, and hospital treatment, including nursing, medicines, medical and surgical supplies, crutches and apparatus, including orthotic and prosthetic devices and services (Labor Code section 4600).

Medical treatment will be based on the Medical Treatment Utilization Schedule (MTUS) adopted by the Administrative Director and outlined in the California Code of Regulations sections 9792.20 through 9792.26 or any other evidence-based nationally recognized guidelines.

When does an Employee's Reach Maximum Medical Improvement (MMI)?

An injured employee's medical condition is considered to have reached MMI when the condition is unlikely to change substantially in the next year with or without medical treatment (California Code of Regulations section 9785). The treating physician usually determines when an injured employee's condition reaches MMI, but often an evaluating physician's opinion is also sought.

Providing for Future Medical Treatment

The use of the term MMI reflects that no significant change in the medical condition is anticipated in the short term. It does not mean that the injured employee will not have any further medical treatment. An injured employee may receive an award for continuing or future medical care, if treatment is needed:

- To maintain the injured employee's optimum condition;
- To relieve or cure the effects of the injury; or
- To relieve the effects of exacerbations or recurrences which are reasonably expected due to the injured employee's condition.

Treating and evaluating physicians should carefully consider and calculate the need for continuing or future medical treatment and include as much detail on this as possible in their reports.

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Temporary Disability Benefits

Payments for lost work time are paid to the injured employee while they are recovering from the injury or illness and are unable to return to work. Payments must begin within 14 days of the employer's knowledge that a work-related injury or illness occurred, unless the employer contests the claim for workers' compensation benefits (Labor Code section 4650).

Lost time on the date of injury is paid as Administrative Time Off (ATO). Thereafter, an injured employee will serve a waiting period of three calendar days. The waiting period need not be consecutive days. The waiting period is waived if the injured employee is hospitalized, if the injury was caused by a criminal act of violence, or the injured employee is disabled more than 14 calendar days.

For dates of injury occurring on or after April 19, 2004, there is a limitation of 104 weeks of temporary disability benefits (Labor Code section 4656).

Temporary Work Restrictions

Many injured employees are able to perform some, if not all, of their job tasks at some point during the healing process. When the treating physician believes that it is possible for an injured employee to return to work in some capacity, they are required to delineate the tasks or working conditions that must be avoided. It is essential that the physician have a clear understanding of the job duties, and that the physician makes the restrictions clear in that context.

While the employee is temporarily disabled, it is in the employee's and employer's best interests to provide "transitional duty." Statistically, the faster an injured employee returns to work, the faster they recover from their injury. The employer benefits by reducing their workers' compensation payments and having their valued employee back on the job.

An injured employee is considered temporarily disabled until he or she has returned to work full duty or until the medical condition has reached the point of maximum medical improvement (MMI). There are several types of temporary disability benefit programs available to state employees under workers compensation

Industrial Disability Leave (IDL)

Established by the Berryhill Total Compensation Act of 1975, IDL is a salary continuation program specifically designed as an alternative benefit program to Workers' Compensation Temporary Disability (TD). The legal authority for this program is found in Government Code sections 19869 - 19877.1.

To qualify for IDL benefits, an injured employee must be an active member of the California Public Employees' Retirement System (CalPERS) or the California State Teachers' Retirement System (CalSTRS).

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IDL benefit payments are based on the injured employee's current wages. For the first 22 working days (maximum of 176 hours for fulltime employees and prorated for employees on different time bases) of disability, an injured employee receives full net pay. "Full net pay," means the injured employee's gross salary minus federal and state taxes, OASDI/Medicare, and Retirement. Miscellaneous deductions will not be factored into the calculation of the injured employee's full net pay.

Even though IDL is not taxable, the gross amount for IDL during the first 22 working days is reduced by the amount that would have been taken for taxes (federal, Social Security, Medicare, and state taxes). This is called the "reduced gross" and is the amount reflected on the warrant register, as well as on the earnings statement. Thereafter, the payments are based on two-thirds of the injured employee's current gross salary without any reduction for taxes.

IDL benefits are payable for a maximum of 52 weeks (2080 work hours for fulltime employees and prorated for employees on different time bases), within a two-year period, from the day of disability (or first time lost) due to the injury or illness.

Industrial Disability Leave with Supplementation (IDL/S)

All excluded employees and rank-and-file employees in all Bargaining Units (except Bargaining Unit 5) who meet the eligibility requirements for IDL are also eligible for IDL/S. IDL/S allows an injured employee to supplement their IDL payment up to their full net pay with available leave credits.

Enhanced Industrial Disability Leave (EIDL)

EIDL is full net pay for one to three years, depending on the specific contract and Memorandum Of Understanding (MOU). EIDL was established in 1984 through MOUs between the State and exclusive representatives for rank-and-file employees in specific bargaining units. Government Code section 19871.2 provides the authority for excluded employees to have this benefit.

Employees in several Bargaining Units and excluded employees are eligible for this benefit if they suffer a qualifying illness or injury. To qualify for EIDL benefits, the injured employee must be temporarily disabled as a result of an injury incurred in the official performance of their duty. Please see the applicable bargaining unit contract for the list of specific physical injuries.

The department's appointing power or their designee has the final decision regarding an injured employee's eligibility for EIDL based on the specific circumstances of each case. EIDL is an extension of IDL and has most of the same requirements. However, permanent intermittent employees in Bargaining Unit 6 may be entitled to EIDL even if they are not members of CalPERS or CalSTRS.

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Temporary Disability (TD)

An injured employee will receive TD benefits if he or she does not qualify for or exhausts eligibility for IDL. State Fund will issue TD payments directly to the injured employee every two weeks. The payments continue until the injured employee returns back to work full duty or his or her condition reaches MMI.

TD payments are not taxed and are generally equal to two-thirds of the injured employee's average weekly earnings at the time of the injury, with minimum and maximum values determined by the Legislature.

Injured employees do not receive total temporary disability benefits once they return to work. However, an injured employee may qualify for temporary partial disability benefits if they return to work but are medically unable to work as many hours as they did at the time of injury.

Temporary Disability with Supplementation (TD/S)

Injured employees have the option to supplement TD payments with their leave credits to receive a benefit that is comparable to their full net pay. Leave credits include any accumulated sick leave, vacation, annual leave, compensated overtime, personal holiday, and personal development days.

TD payments are issued by State Fund to the injured employee and have no mandatory or voluntary deductions withheld. The supplementation payments, which are paychecks issued by the State Controller's Office, are paid by the employer and are subject to all mandatory deductions including taxes, retirement contributions, garnishments, and union dues. Voluntary deductions, such as health, dental, and vision benefits or life insurance can also be withheld. However, deductions can only be made as long as there are sufficient leave credits. Mandatory deductions will have priority over voluntary deductions.

An injured employee can choose not to supplement his or her TD payment. In this event an injured employee is still entitled to a continuation of health, dental, and vision benefits. If an employee contribution is due, arrangements must be made by the department to collect that portion directly from the injured employee (Personnel Management Liaison 2000-035).

Labor Code Section 4800

Labor Code section 4800 is a special benefit available only to an eligible peace officer that is a member of the Department of Justice or the Department of Fish and Wildlife falling within the "state peace officer or firefighter" classification. An officer who is disabled by an injury arising out of and in the course of their duties is entitled, regardless of their period of service with their Department, to a leave of absence while disabled, without loss of salary. The disabled officer will receive their full gross salary in lieu of disability payments under this section for a period not to exceed one year.

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This section does not apply to periods of disability, which occur subsequent to termination of employment by resignation, retirement, or dismissal. When this section does not apply, the officer is eligible for those benefits that would apply if this section had not been enacted.

Labor Code Section 4800.5

Labor Code section 4800.5 is a special benefit available only to an eligible peace officer that is a member of the California Highway Patrol (CHP). An officer who is disabled by a specific injury arising out of and in the course of their duties is entitled, regardless of their period of service with CHP, to a leave of absence while disabled, without loss of salary. The disabled officer will receive their full gross salary in lieu of disability payments under this section for a period not to exceed one year.

Benefits payable for eligible sworn members of CHP whose disability is solely the result of cumulative trauma shall be limited to the actual period of entitlement to temporary disability, or for one year, whichever is less. This section does not apply to periods of disability that occur subsequent to termination of employment by resignation, retirement, or dismissal.

Permanent Disability

When the injured employee's condition reaches MMI, the injured employee is no longer entitled to temporary disability benefits. State Fund will determine whether the injured employee will receive any permanent disability (PD) benefits. The first payment of PD is due within 14 days of the final TD payment unless the employee has returned to work, and then no PD payments are due until the claim is settled. Permanent Disability (PD) payments are made to compensate an injured employee because they have a permanent impairment or limitation as a result of their injury (Labor Code section 4061). An injured employee can receive PD payments and return to work full duty.

Who Rates Disabilities?

Treating physicians perform a disability evaluation when the injury has reached MMI.

The factors of impairment listed in the disability evaluation report are used to calculate a permanent disability rating. The permanent disability rating is stated as a percentage, which equates to a monetary value. The treating physician's report may also be used to determine the injured employee's need for future medical treatment and ability to return to work.

The injured employee and the employer can dispute the treating physician's evaluation regarding the need for continuing medical care, medical eligibility for return to work, or the description of the disability.

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If either party disputes the treating physician's findings, arrangements will be made for a comprehensive medical evaluation by an Agreed Medical Examiner (AME) or a Qualified Medical Examiner (QME). The date of injury determines the medical-legal track that must be followed in order to obtain a disability evaluation (Labor Code sections 4060 - 4062.2).

On unrepresented (the injured worker does not have an attorney) claims, the claims adjuster will rate the treating physician's disability evaluation report and request a rating from the Disability Evaluation Unit (DEU). The DEU is a department in the Division of Worker's Compensation. All QME disability evaluations for unrepresented employees are rated by DEU raters.

On represented (the injured worker has hired an attorney) claims, all parties rate the disability evaluation report to come up with their own estimate of the injured employee's disability rating. The parties may agree to have a disability evaluation report rated by a DEU rater in order to facilitate settlement of the injured employee's case.

Basic Principles of Apportionment

Any physician preparing a report on PD must address the issue of causation (Labor Code section 4663). The physician must make an apportionment determination by finding what approximate percentage of PD was caused by the direct result of the work-related injury and what portion was caused by other factors, including prior industrial injuries. The employer is only liable for the portion of disability directly caused by the current work-related injury.

Injury Aggravates a Pre-Existing Condition

Apportionment becomes an issue when an injury aggravates a pre-existing condition. If cumulative or specific trauma at work creates new symptoms, a new need for medical treatment or TD benefits, or results in additional work restrictions or further loss of capacity, then the injured employee is entitled to file a workers' compensation claim. If, after the healing period, the injured employee's condition returns to the level present before the aggravation, then the aggravating activity did not cause further PD. But if the injured employee's condition reaches MMI at a greater level of disability than had existed before the additional trauma, then the aggravating activity caused the additional disability.

Any prior PD awards to an injured employee are conclusively presumed to exist at the time of a subsequent injury (Labor Code section 4664).

Supplemental Job Displacement Benefit (SJDB)

For dates of injury January 1, 2004 through December 31, 2012, the SJDB is a voucher provided after claim settlement for a retraining or skill enhancement program at a state approved or accredited school.

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The voucher can range in value from \$4,000 to \$10,000 based on the level of the injured employee's permanent disability, and can be used towards tuition, fees, books, vocational rehabilitation counselor services, and other related expenses. The voucher never expires.

To be eligible, an injured employee must not have returned to work within 60 days after the temporary disability period ended and they must have a permanent disability. However the employer is not liable for the SJDB if they offer the injured employee modified or alternative work within 30 days of the end of the temporary disability period.

For dates of injury starting January 1, 2013, an injured employee is eligible for the SJDB voucher if they have not returned to work or their employer has not offered a regular, modified or alternative job within 60 days after reaching Maximum Medical Improvement.

The SJDB voucher is always \$6,000 and is issued 20 days after the 60 day period. It is used for tuition, fees, books, vocational rehabilitation counselor services plus licensing fees, exam preparatory courses, a new computer (up to \$1000), and miscellaneous expenses (up to \$500). The voucher expires 2 years after issue or 5 years after date of injury.

Death Benefit

Death Benefit payments are made to surviving total and partial dependents of the deceased. Once dependency is established, the benefit is paid out in installments to the dependents at the decedent's TD rate, until the total benefit is paid or a minor child turns 18-years of age (Labor Code section 4700). The employer is responsible for reasonable burial expenses up to \$10,000 (Labor Code section 4701).

RETURNING AN INJURED EMPLOYEE TO WORK

Permanent Work Restrictions

Permanent work restrictions are an important consideration in the return-to-work process. Although, the evaluating physician needs a good understanding of the injured employee's occupation to write the work restrictions, the restrictions are usually described in terms of the functional limitations, rather than referring specifically to the employee's current job.

For example, the physician's report might state "may do work requiring repetitive motions of the hand and fingers, such as keyboarding, no more than 45 minutes out of every hour, and may not work on tasks requiring prolonged or repetitive use of pinch grip," rather than simply "limit keyboard operation to 45 minutes per hour." This protects the employee from being given a task that they should not do.

Per Executive Order D-48-85 and the Master Agreement, the State of California shall actively seek employment opportunities for injured employees who have become disabled.

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Regular, Modified, and Alternative Work Assignments

As defined by California Code of Regulations section 10001:

Regular Work – The employee's usual occupation or the position in which the employee was engaged at the time of injury that offers wages and compensation equivalent to those paid to the employee at the time of injury and is located within a reasonable commuting distance of the employee's residence at time of injury.

Modified Work – Regular work modified so the employee has the ability to perform all the functions of the job that offers wages and compensation that are at least 85 percent of those paid to the employee at the time of injury and is located within a reasonable commuting distance of the employee's residence at time of injury.

Alternative Work – Work offered by the employer that the employee has the ability to perform and offers wages and compensation that are at least 85 percent of those paid at the time of injury and is located within a reasonable commuting distance of the employee's residence at the time of injury.

The Return To Work Coordinator (RTWC) Role

The RTWC should furnish State Fund with the injured employee's job analysis that lists the physical requirements and essential functions of their job. State Fund will send this information to the treating or evaluating physician who will report on the employee's ability to engage in regular, modified, or alternative work assignments.

The RTWC should review the medical restrictions and interact with the injured worker, supervisors and managers to facilitate the earliest possible return to work.

Discrimination - It's Against the Law

The Fair Employment and Housing Act (FEHA) prohibits harassment and discrimination in employment because of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (Government Code sections 12940, 12945, 12945.2) and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions. It is FEHA's coverage of mental and physical disabilities that is relevant in workers' compensation cases.

In 1993, the State Legislature brought FEHA into conformity with the federal Americans with Disabilities Act (ADA). The two acts essentially function to give overlapping coverage to employees with disabilities in the workplace, with FEHA providing broader coverage.

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The Labor Code's Nondiscrimination Policy

In addition to protection under ADA and FEHA, Labor Code section 132a states, "It is the declared policy of this state that there should not be discrimination against employees who are injured in the course and scope of their employment." It is a misdemeanor for any employer to discharge, threaten to discharge or discriminate in any manner against an employee for:

- Filing or stating the intention to file a claim for compensation;
- Filing or stating the intention to file an application for adjudication;
- Receiving a permanent disability rating, award, or settlement; or
- Testifying or stating the intention to testify in another employee's case before the WCAB.

An injured employee who has suffered discrimination for any of these reasons may file a petition for award under Labor Code section 132a with the WCAB, and is entitled to increased compensation, reinstatement, and reimbursement for lost wages and work benefits caused by the acts of the employer.

Employer's Responsibilities

Provide Required Forms

Per Labor Code section 3551 and California Code of Regulations 9880, the employer must provide employees information about workers' compensation, and the opportunity to pre-designate a treating physician at the time of hire. The State Fund Guide to Workers' Compensation for New State of California Employees (e1354) satisfies both requirements.

Per Labor Code section 3550 and California Code of Regulations 9881, employers must post a notice with information about workers' compensation injuries and directions to follow if employees should suffer a work-related injury or illness. The Notice to Employees (DWC 7) satisfies this requirement.

To find these forms and all other forms needed to administer your workers' compensation program, please go to [State Fund Resources Page](#).

Report the Injury or Illness

The employer must provide the injured employee with the Workers' Compensation Claim Form (DWC 1) & Notice of Potential Eligibility (e3301), within one working day of knowledge of the injury or illness. The employer must also provide the Employee's Guide to The State Fund MPN by Harbor Health (e3851). The injured employee may also be provided with the CalHR brochure, I've Just Been Injured on the Job, What Happens Now? available at: [Workers' Compensation Program Website](#).

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The Claim Form does not need to be provided for injuries that do not result in lost time beyond the employee's work shift or requiring treatment beyond first aid, unless the employee requests one.

When the injured employee returns the Claim Form, complete the employer's section, give the employee a copy and forward the form to the departmental RTWC. The employer is required to provide State Fund with the completed Claim Form within one day of receipt.

Note: Once a completed Claim Form has been received from the injured employee, authorization for medical treatment must be given within one working day. Employers are responsible for paying up to \$10,000 in medical treatment until a claim is denied. If a claim is accepted medical treatment will continue to be paid by the employer.

For injuries requiring immediate emergency assistance, call emergency medical services (usually 9-1-1). If emergency treatment is not needed but it appears that medical treatment is required, arrange for treatment by either their pre-designated or the employer-selected physician.

An appointment for non-emergency medical treatment must be made for the injured employee within three working days from your department's notice of an injury or within one working day after the Claim Form is filed. For information regarding your department's Medical Provider Network (MPN) process contact your department's RTWC or Personnel Office.

If an employee has pre-designated a treating physician or medical group, the employee has the right to seek medical treatment with that physician or group. The employee must have given the department written notification of the name of the physician or group prior to the date of injury, and the physician or group must have agreed to the designation.

If the employee is not able to return to work immediately, find out how long the employee will be off work. A current description of the employee's normal duties, or of alternate "light duty" work (if available), may help the doctor make a decision. The RTWC or Personnel Office should be notified as soon as possible when an employee has been injured on the job.

The employer must also complete the Employer's Report of Occupational Injury or Illness form (e3067). This form must be received by State Fund within five days of your department's knowledge of an injury or illness. The Employer's Report must be completed if the injured employee has lost time beyond the date of injury or illness, medical treatment beyond first aid was provided, or the employee has completed and returned a Claim Form.

For help completing the forms, please refer to the CalHR publication entitled Workers' Compensation Claims Kit available at: [Workers' Compensation Program Website](#)

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Notify Employee of Benefit Options

The personnel office is required to send the injured employee an Industrial Disability Leave with Supplementation Information and Benefits Option Selection form (STD. 618S). The personnel office is required to send the STD. 618S once State Fund notifies the department that a claim is accepted and worker's compensation benefits are approved.

The employee has 15 days to choose whether or not they would like to supplement their Industrial Disability Leave (IDL) benefit. The election period commences on the date the injured employee receives the STD. 618S. If the injured employee fails to make a timely election then they will be placed on IDL without supplementation and forfeit the right to supplement IDL at any future time.

If an injured employee elects IDL/S, then they may choose to supplement at the level sufficient to yield an income which approximates their full net pay or at a level that is less than that amount. However, supplementation is not applicable for the first 22 days because the injured employee receives full net pay during that period. Once the supplementation level is selected, the injured employee may elect to decrease the amount at any point in the future, but they may not elect to increase the amount. Any subsequent reduction in the supplementation amount will be made on a prospective basis only. Income received from supplementation is taxable and will be reported on the employee's W-2 Form at the end of the year. Federal and state taxes will be based on the current flat tax rate.

Temporary Disability Verification of State Employees (SCIF 3290) lists the dates and hours State Fund has notified as disability periods related to the injury and allows the personnel office to request the release of IDL benefits.

Maintain Contact

It is important to maintain frequent contact with the injured employee. The supervisor, the second line supervisor or manager, the personnel office, and the RTWC should work together to arrange for the injured employee to return-to-work as soon as it is medically feasible.

Employee Responsibilities

Report the Injury or Illness

If an employee is injured or becomes ill as a result of their employment, they must report the injury to their employer as soon as possible. The employer will provide the employee with a Workers' Compensation Claim Form (DWC 1) & Notice of Potential Eligibility (e3301). The Claim Form allows the employee to describe how, when, and where the injury occurred.

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The Claim Form must be provided to the employee within one working day of knowledge of injury or illness that results in lost time beyond the work shift or requires medical treatment beyond first aid.

Obtain Treatment

If the injured employee pre-designated a personal physician or medical group in writing prior to the date of injury they may elect to go to that physician or medical group for treatment immediately after an injury. Otherwise, the department is responsible for arranging treatment at an appropriate employer selected physician or medical facility. This physician or medical facility should be part of the Medial Provider Network (MPN) and listed in the Guide to Workers' Compensation for New State of California Employees (e13546) that is provided to the employee at the time of hire. It is important to inform the treating physician that the employee's injury or illness is work related.

Report Absences

After receiving treatment for the injury, the injured employee must inform their supervisor of the physician's advice concerning their ability to resume work responsibilities. All time off related to the injury must be reported on the Absence and Additional Time Worked Report (STD. 634) or equivalent departmental form. Although, no time is charged against leave credits on the day of injury, a notation must be made to show the date of injury on the STD. 634.

State Compensation Insurance Fund Responsibilities

Make Liability Decisions

Once State Fund is notified that an injury or illness has occurred they will establish a workers' compensation claim. State Fund is required to send notification to the employee on whether the claim has been delayed, accepted, or denied within 14 days from the employer's date of knowledge of the injury or illness. State Fund makes all liability determinations based on available medical documentation and relevant facts.

If a claim is delayed, State Fund is in need of additional information in order to make a liability determination. State Fund has 90 days from the date the employee returns the Claim Form to make a final determination. The employer must pay for medical treatment up to \$10,000 until a liability determination has been made. If the \$10,000 cap is reached prior to a liability determination being made then the employee or his or her medical insurance carrier are responsible for paying the cost of any additional medical treatment.

The injured employee will not be compensated for any lost time from work during the delay period. If time from work is missed during the delay period, the injured employee should contact his or her personnel office to find out about other leave options that may be available.

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To gather more information, State Fund may request that the injured employee attend a special medical evaluation. The injured employee will be asked to complete and sign medical release forms so that State Fund can obtain copies of prior medical records. State Fund may also ask the employer to provide a copy of personnel records, a duty statement, etc. State Fund will use all relevant information to make a liability determination regarding the injured employee's claim.

If the claim is accepted, State Fund will pay for all approved medical treatment, hospital visits, and reasonable medical transportation. The injured employee will be provided with all benefits to which they are legally entitled.

If the claim is denied, the injured employee will not be provided with any type of compensation. If the injured employee agrees with the denial, the claim will be closed. If the injured employee disagrees with the denial, they have a right to dispute State Fund's determination. Options for disputing the determination are outlined in the denial letter that is sent to the injured employee by State Fund.

Provide Benefits and Defend the Employer

State Fund will provide all the benefits that the employee is lawfully entitled and defend the employer against any expenditures that the employee is not entitled.