

Overview

- Wisconsin wage statute and WKC 13-A1
- Calculating wages
- Temporary total disability (TTD), permanent partial disability (PPD), and escalation
- Wage investigation
- Part-time employees and self-restriction
- Wage variants
- Available reference resource



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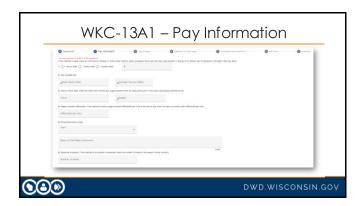
Where Do Our Wage Rules Come From?

- Almost all wage "rules" are derived from Wisconsin Statute 102.11.
- Wages are calculated based on information provided in the Wage Information Supplement (WKC-13A1) form.
- To avoid a surcharge, WKC-13A1 must be filed within 30 days of the first WKC-13. If an "expect by" date is given, this deadline can be pushed back 90 days.



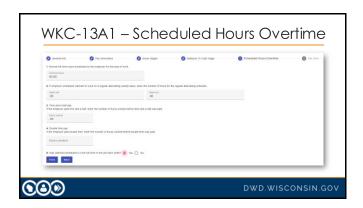
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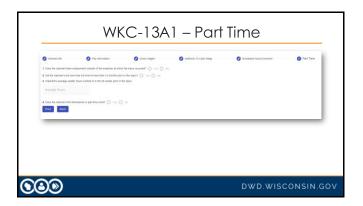












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Calculating Average Weekly Wage	
Average Weekly Wage will be based on the greater of:	
Hourly Rate X Hours Per Week	
or	
Gross Earnings ÷ Weeks Worked	
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Hourly Rate	
Hourly Rate entered should be the rate the employee	
was earning at the time of injury.Break down any set rates of pay (weekly, monthly,	
salary) to an hourly rate. Include shift differential (additional amounts employer	
pays for working nights and weekends) in hourly rate if employee was earning it at time of injury.	
 Hourly rate must be at least minimum wage. \$7.25 per hour or \$2.33 per hour with tips. 	
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Hours Per Week	
 Number of hours the employee is regularly scheduled to work each week. Full-time workers are assumed to be working 40 hours per 	
week. • For employees who wark more or less than 40 hours per	
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week, expect DWD to ask for hours worked in the 13 weeks prior to the injury.	

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Gross Earnings

- Total gross taxable earnings the claimant earned in the 52-week period immediately prior to the week of injury.
- Do not include earnings from week of injury unless claimant was injured on a Friday or Saturday – then include those earnings.
- Include any bonuses.



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Gross Earnings (cont.)

Do not include in gross earnings:

- Any weeks where the daimant has disability earnings, FMLA, Temporary Total Disability (TTD), or Temporary Partial Disability (TPD) from a previous claim;
- Tips (added in separately); or
- Non-taxable earnings (reimbursements, per diem, etc.).



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Weeks Worked

- Total number of weeks worked in the 52 weeks prior to the week of injury.
- Weeks start on Sunday and end on Saturday.
- A week should be counted if any part of a week was worked (except the week of injury).
- Hours paid in lieu of work, such as vacation, holiday, or personal time, should be included as "worked."



Hire	ed to Work 4		Veek
Hired: July 1, 2024 Hourly rate: \$20/hour	Date of injury: August 4, 2025	Average Weekly Wage: 40 hours x \$20.00 = \$800.00	TTD: \$533.36 PPD: \$446.00 (maximum)
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Less Than Six Weeks

- If an employee has worked less thansix (6) weeks for this employer, gross earnings cannot be used to determine average weekly wage (AWW).
- AWW will only be based on the Hourly Rate x Hours per Week.



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Overtime

- Overtime (OT) should be paid at time and a half to employeesif they have worked more than 40 hours in one week.
- Overtime should only be included in 'Hours Per Week' if employee regularly works a consistent schedule with more than 40 hours.
- If random amounts of overtime are worked each week, do **not** include overtime in 'Hours Per Week,' but include all overtime eamings in 'Gross Earnings.'



	Overtime (cont.)			
The 'Hourly Rate x Hours Worked' equation turns into:				
	Hourly Rate x Regular Hours Worked			
	+			
	OT Rate x OT Hours Worked			
	OT Rate = Hourly Rate x 1.5			
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Alternating Schedule

- If the claimant works an alternating schedule every two weeks (with no overtime either week.) the hours per week entered would be the average of the two weeks.
- If the daimant works an alternating schedule with overtime, the regular hours would be calculated separately from the overtime hours.



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Hired to Work Alternating Schedule No Overtime Hired: Date of injury: Work Work Schedule: 48 + 32 = 80 July 1, 2024 Schedule: August 4, 2025 Hourly rate: 48 hours \$20/hour alternating hours over with 32 hours two weeks per week **©**

Hired to Work Alternating Schedule No Overtime (cont.) 80 hours ÷ 2 = 40 TD: \$533.36 hours/week PPD: \$446.00 (maximum) \$800 average weekly wage DWD.WISCONSIN.GOV

TTD and PPD Rates

- Temporary Total Disability (TTD) and Permanent Partial Disability (PPD) rates are 2/3 of the AWW until it reaches the maximum rate.
- If the daimant is younger than 27 years old, PPD is automatically set to the maximum rate.
 - $\circ~$ Wages at the time of injury are not generally representative of the worker's career path.
 - $\circ~$ TTD rates for young workers are still 2/3 of the AWW.

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Maximum TTD and PPD Rates - 2025

Category	Current
Average Weekly Wage	\$1,989.00
Temporary Total Disability	\$1,326.00
Permanent Partial Disability	\$446.00



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Wage and Rate Charts

- Publication WKC-9572-P Wage and Rate Chart:
 - Updated annually
 - Now covers rates since 2017
- <u>Historical Wage and Rate Chart:</u>
 - Updated annually
 - Covers rates since 1911 the beginning of worker's compensation



Escalation

- If there is a renewed period of TTD or TPD in the same claim that is:
 - Two ar more years after the date of injury, and
 - The injured worker has returned to work for at least ten days before going back on TTD, then
- The rate used for the later period of temporary disability will be escalated in proportion to the current max rate.



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Escalation

- To calculate the escalated TD rate, you need to know the
 - o Maximum rate at the time of the injury and
 - o Maximum rate during the later period of disability.
- In claims that continue for many years, TD rate can be escalated multiple times.



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Escalation Example

	ĬΠ	Max TTD	Percent
2021	\$507.62	\$1,094	46.4%
2025	\$615.26	\$1,326	46.4%

- In 2021, claimant's TTD rate was \$507.62, or 46.4% of the 2021 maximum TTD rate of \$1,094. He returned to work in 2022.
- In 2025, claimant resumed TTD for the same claim. His TTD rate was escalated to 46.4% of 2025 maximum TTD rate of \$1326, or \$615.26.



Escalation

- Escalation can happen multiple times in the same claim.
- · Pay attention to the letters we send you!
- Even if you don't calculate escalated TTD rates yourself, the worksheets will reflect what our claim system has
- If you have questions about the amounts, please let us know.



Escalation

PYMT TYPE TTD TTD TPD TTD	DATE LDW 11/10/2011 3/5/2012 4/15/2012 8/5/2019	DATE RTW 12/5/2011 4/16/2012 6/3/2012 5/18/2020	RATE 545.34 545.34 208.23 675.69	HDAY 0.00 0.00 0.00 0.00	AMT CALC 1,817.80 3,181.15 1,457.59 27,590.67	AMT PAID 1,891.56 3,783.15 1,298.48 22,068.38
	Totals for Temp	Disability			34,047.21	29,041.57
	TEMP DISABIL	ITY DUE			5,005.64	

- Why might there be no escalation between first and second periods of TTD?
 - · Less than two years between periods
 - Notice Rate change between first and last periods of TTD
 TTD underpaid for last period of TTD



Wage Investigation

- About 30% of WKC-13A1s filed will be put into "Wage Investigation." $\,$
- Of that 30%, about half will stay the same.
- Don't panic. We will let you know if we need more information.
- Once a claim is in Wage Investigation, only DWD can take it out of investigation. Submitting additional WKC-13A1s will not change that.



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Founds not truly to this required for using information within 30 days we may assess a surcharge of 9100 in accordance within 102 days (100 in accordance within 102 days (1)), Vivo. Table: I you have passioned or need they bessee contact or soly calling (008) 206-1340 and then saik for a year of the said
Thank you for your assistance in assuring correct compensation payments.

Why Would We Request This?

- Number of weeks worked entered on WKC-13A1 is impossible based on Date of Hire and Date of Injury.
- Quarterly gross earnings employer reported to UI is significantly different than reported on WKC-13A1.
- Something appears out of the norm:
 - Gross is very high or low,
 - Weeks are very high or low,
 - No tips reported for a job that typically gets tips,
 - Earnings fluctuate across quarters in UI database.





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Part	-Time Employees	-
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Everyone's F	Benefits Are Based on Full-time	
arrived át by	"The average weekly earnings shall be multiplying the employee's hourly earnings n the normal full-time work week as	
established b	y the employer."	
 Full-time emp scheduled to 	loyees are those who are regularly work more than 35 hours per week.	
 For employee statute expar 	es who work less than full time, the above ands their wages to full time.	
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Evenyone's	Benefits Are Based on Full-time	
to a 40-hour wa	For part-time employees, wage expansion ork week is limited to part-time employees	
	ed by another employer, or	
12 months be	employed part-time for this employer far less than efore the injury, unless they have submitted a dated self-restriction form. (Repeal of s. 102.11	
(1)(am) and	(f)1 and creation of s. 102.11(1)(ap))	
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Except Self-Restricting PT Employees

- Employees are self-restricted to part-time employment when:
 - There is documentation from the employer confirming the job is only for part-time work, or
 - The employee states on the employment application that they only want to work part-time, or
 - Before the injury, the employee has voluntarily completed a self-restriction form. (<u>WKC-12698-e</u>)

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Self-Restriction

- Employees who restrict themselves to part-time work on the **labor market** are eligible to have restricted claims.
- Self-restriction can only be applied by a wage analyst after all requirements have been met.



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Why Would an Employee Self-Restrict?

- TTD for part-time employees who self-restrict is paid at 100% of actual AWW – not .6667%!
- Self-restricting to a part-time schedule is a way to reduce expanded hours to the <u>higher</u> of;
 - $\circ~$ Hourly rate for average hours worked, \mbox{or}
 - o Actual weekly gross earnings.
- Self-restriction does not affect the PPD rate. PPD will be calculated based on a non-restricted AWW.



Limitations on Self-Restriction

- To elect self-restricted status and thus have TTD rate at 100% of wage:
 - Employee cannot have more than one job.
 - TTD rate cannot be more than it would be if hours were expanded to full time.

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Limitations on Self-Restriction

- Newly-hired part-time workers or those who work more than 27 hours per week are not eligible to self-restrict.
- Working more than 27 hours per week and being paid at 100% of AWW would make their benefit rate too high.



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Limitations on Self-Restriction

Hourly Rate	Hours Worked	AWW	% of AWW	ĬΠ
\$20.00	40	\$800.00	.6667	\$533.36
\$20.00	27	\$540.00	100%	\$546.00
\$20.00	27	\$540.00	.6667	\$360.02
\$20.00 (self-restricted)	20	\$400.00	100%	\$400.00

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Limitations on Self-Restriction

- Cannot accept self-restriction forms that:
- Aren't signed and dated by employee or employee's legal guardian.
- · Are coercive or misleading.
 - · Must give an aption to select yes or no.
 - Cannot imply stoppage of benefits if not filled out.



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Limitations on Self-Restriction

- Cannot accept self-restriction forms that:
- Reference the injury as a reason.
- o "Doctor said I couldn't work full time."
- Reference not being able to find full time work.
 - o "Employer only had part-time work a vailable."



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Limitations on Self-Restriction

- These are temporary reasons to request self-restriction:
 - Doctor will eventually release from care.
 - May still be looking for a full-time job.
 - May be looking for another part time job to bring income up to a 40 hour/week wage.
- A valid reason to request self-restriction:
 - Part-time employee on Social Security Disability who would jeopardize those benefits by working more than part-time.



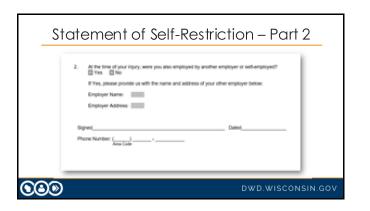
TEST INSURER 2
COTEST INSURER 2
123 JENNIFER ST
MADISON W 53703

WCCLAIM NO: 9999-99999
INJURY DATE: 01/01/22
EMPLOYE: SIMPLES SAMPLER, TESTER SA MPLE
EMPLOYE: SAMPLE EMPLOYER
INSURER NO:
You advised us that you are paying worker's compensation benefits at 100% of the employee's actual wage.
This is correct if at the time of the injury the employee restricted his or her avail ability to part-time work and was not employed elsewhere.

However, you did not include the required self-restriction statement from the employee. Please send us a self-restriction statement immediately.

If we do not receive a reply within 30 d ays, we will assume that the employee did not self-restrict and we will increase the weekly rate to either two-thirds of the wages for 24 hours of work (if the employee was part of a dass at the time of injury) or two-thirds of the wages for 54 hours of work (if the employee was part of a







Wage Variants

Output

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Exceptional Basis of Pay

- Specific careers may have unique rules that calculate average weekly wage (AWW) differently from other jobs.
- On the WKC-13A1, select the "Exceptional Basis of Pay" option from the drop-down box in Section 1, Number 5.

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All the "Exceptional" Categories

Coach - Only	Newspaper Carrier - PT	School Bus Driver - PT	
Commission Only - FT	Other	School Crossing Guard - PT	
Commission Only – PT	Paid By The Mile - FT	Sheltered Employee - PT	
Flight Attendant - PT	Paid by The Mile - PT	Sole Proprie tor (Business Owner)	
K-12 Cafeteria Worker – PT	Prisoner	Taxica b Driver	
K-12 Teacher and Coach	Pro & Semi-Pro Athlete	Trucker - Owned Truck	
K-12 Teacher Only	Pulp Cutter	Volunteer Fire Fighter/EMT	



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Teachers/School Workers

- The typical school year lasts 38 weeks. The number of weeks entered on the WKC-13A1 is the weeks worked.
- Teachers can opt to have their contract paid during the school year (38 weeks) or throughout the whole year (52 weeks), so paychecks might not reflect total earnings for the weeks worked.



 AWW is based on annual salary and percentage of contract fulfilled.

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Business Owners

- AWW based on Net Profit reported on business owners' taxes for the tax year prior to year of injury.
- Typically reported on either Schedule C or Schedule K-1. We will ask you to provide a copy of this.
- Minimum wage (AWW: \$290) is the lowest we will set business owners' AWW.
- If owners refuse to furnish the proper tax documents, wage will be set to minimum wage.



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- Note: if it's a small employer, check policy to see who business owner is.
- If injured worker is the business owner, ask for tax records (Schedule C or Schedule K-1) to be sure to pay correct rates.



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Commission-Only or Paid by the Mile

- Commission-only and Paid by the Mile are both in the "Exceptional" category and have no set rate of pay.
- For both full and part time, hourly rate is calculated by dividing gross earnings by hours worked.
 - Hourly rate ${\bf x}$ hours worked would not be considered.
- If they have worked fewer than six (6) weeks (i.e., cannot use gross), send similar wages of a comparable employee.



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Volunteer/Paid On-Call Firefighters

- AWW set to the maximum rate for the year of injury, or we will accept full-time wages from the nearest full-time/ career fire department.
- When submitting WKC-13A1, note which fire department you contacted to obtain the full-time wages.
- Refer to Calculating Wage binder for more detailed information on why we handle volunteer rescue worker wages this way.



Other Exceptional Categories

- Piecework
- Seasonal Employment
- Tips
- Room and Board
- Refer to the <u>PocketTravelGuide</u>



In this / / domwi.gov/Documents/BCFR/



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Available Reference Resources



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2022 Change to Wage Calculation

- Gov. Evers signed AB-911, the WC Agreed-Upon Bill on April 9, 2022. The law went into effect April 10, 2022.
- Part of AB-911 made a change to the wage calculation for part-time employees who were injured after April 10, 2022
- Wage calculation for part-time employees was covered earlier in this presentation.



Updates: Calculating Wage Binder

- Resources on training page of DWC website include updated <u>Calculating Wage.</u>
- Now includes:
 - Clarification of how to figure wage for part-time and self-restricting employees;
 - More detailed explanation of calculating TPD benefits, with examples;
 - Deletion of references to part of class.



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Training Sessions and Workshops Page Resources Calculating Wage (Updated January 2025) Case Study for Delays COVID-19 and WC Other Wisconsin Worker's Compensation Resources (Updated April 2025) DWD.WISCONSIN.GOV

