



Sixth Annual Nevada Workers' Compensation Educational Conference

Calculation of Benefits

Sonja Barnum, DIR, Auditor

Michelle Taylor, Claims Manager, SNA

Jeanne Dubose, Claims Adjuster, SNA

Definition - NAC 616C.420

- Average Monthly Wage (NAC 616C.420)
 - Total gross value of all **money, goods and services** received by an injured worker to compensate him for his time or services.
- Deemed Wage (NAC 616C.429)
 - Wages which are deemed per NRS, Chapters 616A to 616D, for certain groups of employees, i.e., Volunteers, Real Estate Agents, School Trustees

Included Items - NAC 616C.423

- Wages (OT included)
- Incentive pay
- Bonuses (prorated)
- Tips
- Salary
- Vacation payment
- Travel pay-time spent
- Commissions
- Sick leave payment
- Termination pay
- Tool allowance
- Piecework
- Holiday payment
- Meals
- Reasonable market value for room/board

Excluded Items - NAC 616C.423

- Reimbursement for expenses
 - Per diem
 - Travel expenses
- Payment for employment which is not subject to coverage pursuant to NRS chapters 616A to 616D and 617
- Payment for employment which coverage is elective
- Allowances for laundry or uniforms

Period Used - NAC 616C.435

- Normal Situation
 - Twelve weeks (84 days)
 - If injured employee paid twice monthly, use 89-92 days
 - One year (if 84 days not representative)
- Payroll Unavailable for 84 day period
 - Average available information (> 4 wks)
 - Projected using rate on date of injury and projected work schedule (< 4 wks)
- Labor Union Member – 1 yr
(regularly employed by referrals from office)

Period Used - NAC 616C.435

- Piecework (< 4 wks)
 - Average earnings of other employees doing same work
- Alternative Methods
 - Hourly rate on Date of Injury/disease calculated using projected work schedule
 - Sum which represents Average Monthly Wage per NAC 616C.420 to 616C.447

Form D-8

Employers Wage Verification Form

Employer must complete and file within 6 working days of receipt of C-4, or at request of insurer, if the medical provider states injured employee to be off work 5 days or more

EMPLOYER'S WAGE VERIFICATION FORM

(Pursuant to NRS 616C.045(2)(d))

Please provide the following information for the employee named below by completing this form. The information is needed so that the amount of disability compensation to which your employee is entitled may be calculated. Prompt completion and return of this form will ensure the timely payment of any compensation due this injured worker. Please answer all questions and sign the form where indicated.

EMPLOYER: PLEASE PROVIDE THE FOLLOWING INFORMATION ANSWERING ALL QUESTIONS

Date: _____ Injured Employee's Name (Last/First/M.I.): _____ Social Security # _____
 Claim No.: _____ Date of Injury: _____ Date of Hire: _____
 Was employee hired to work 40 hours per week? Yes No If no, # of hours per week: _____ # of days per week: _____
 On the date of injury, the employee's wage was: \$ _____ per Hour Day Week Month Date the wage became effective: _____
 Was vacation paid during the applicable twelve week period? _____ If so, during what pay period? _____
 Was sick leave paid during the applicable twelve week period? _____ Was the injured employee paid for any holidays during the applicable twelve week period? _____ Did employee receive payment for overtime during the applicable twelve week period? _____ Did employee receive termination pay during the applicable twelve week period? _____
 Provide prior wage if current wage was in effect less than 12 weeks prior to date of injury: \$ _____ per Hour Day Week Month
 During this 12-week period did employee change to a job with different (1) duties, (2) hours of employment, (3) rate of pay? Yes No
 If so, date: _____ Explain: _____
 Does the employee receive commissions? Yes No Period of commission earned _____ to _____
 Indicate the amount of commission received over the last 6 months, or since date of hire: \$ _____
 Does the employee receive bonuses/incentive pay? Yes No Period of bonuses/incentive pay earned _____ to _____
 Indicate the amount of bonuses received over last 12 months, or since date of hire: \$ _____
 Are the commission and bonus amounts included in GROSS EARNINGS below? Yes No
 Does the employee declare tips for the purpose of worker's compensation? Yes No **See payroll declaration below. Attach declaration forms.**
 Does the employee receive meals or lodging (excluding reimbursement for travel per diem)? Yes No **(Do not include in gross earnings)**
 How many meals per day? _____ Monetary value of meals \$ _____ per Day Week Month
 Lodging \$ _____ per Day Week Month

TWELVE WEEK VERIFICATION FROM PAYROLL RECORDS. Report GROSS EARNINGS, include overtime payment and any other remuneration (except reimbursement for expenses). (See NAC 616C.423)
 Give payroll information from _____ through _____. If employed less than twelve weeks, give gross earnings from date of hire to date of injury.

If absent from work for the following reasons, please specify the date(s) absent and the number code for the reason of absence.
 1. Certified illness or disability; 2. Institutionalized in a hospital, or other institution; 3. Enrolled as full-time student, not employed on days of attendance; 4. In military service other than training duty conducted on weekends; 5. Absent because of officially sanctioned strike; 6. Absence because of leave approved pursuant to Family and Medical Leave Act.

Payroll Period		Gross Salary (Excluding Tips)	Declared Tips	Payroll Period		Gross Salary (Excluding Tips)	Declared Tips
Beginning	Ending			Beginning	Ending		

Dates of Absence	Reason	Dates of Absence	Reason	Dates of Absence	Reason
Begin	End	Begin	End	Begin	End

Pay period ends on (check one) Sunday Monday Tuesday Wednesday Thursday Friday Saturday
 Employee is paid: Weekly Bi-Weekly Semi-Monthly Monthly Other
 Employee scheduled day(s) off: Sunday Monday Tuesday Wednesday Thursday Friday Saturday Other
 Explain "other": _____
 Date the employee last worked AFTER injury occurred: _____ Date returned to work: _____

This information is true and correct as taken from the employee's payroll records.
 Print Name: _____ Signature: _____
 Date: _____ Employer: _____
 Insurer: _____ Third-Party Administrator: _____

FORM D-5

Wage Calculation Form for Claims Agent's Use

WAGE CALCULATION FORM FOR CLAIMS AGENT'S USE

RE: Injured Employee: _____ Date of Injury: _____
Social Security No.: _____ Claim No.: _____
Employer: _____ Insurer: _____
Third-Party Administrator: _____

Average Monthly Wage is defined in NAC 616C.420 through 616C.447.

The priorities for determining wage history are:

1. A 12-week history of earnings (84 days).
2. If a 12-week period of earnings is not representative of the injured employee's average monthly wage, a period of one year or the full period of employment, if it is less than one year, may be used. A period of one year or the full period of employment must be used if the average monthly wage would be increased. Divide by the number of days in the period.
3. If period of employment is more than four weeks, but less than twelve weeks, earnings from the date of hire will be used. Divide by the number of days in the period.
4. If period of employment is less than four weeks, average monthly wage will be calculated by multiplying rate of pay on the date of the accident or disease, by hours in employee's projected working schedule, divide by 7 and multiply by 30.44.

If other circumstances apply, see NAC 616C.435.

AVERAGE MONTHLY WAGE - Calculate AMW in the following manner:

Period of earnings: beginning date _____ through end date _____
Gross earnings _____ + tips _____ ÷ by number of days
in wage history _____ x 30.44 = Average Monthly Wage:\$ _____

HOURLY RATE - Hourly rate of pay _____ x number of hours
projected to work per week _____ ÷ 7 x 30.44 = Average Monthly Wage:\$ _____

VALUE OF ROOM AND/OR BOARD
Room (Monthly Value) _____ \$ _____
Board (Monthly Value) _____ \$ _____

VALUE OF MEALS - If meals are provided by the employer, see NAC 616C.423(1)(p) and use the following formula:
Amount for meals per day _____ x number of days hired
to work per week _____ = _____ ÷ 7 x 30.44 = Meals per Month:\$ _____
ADD applicable lines to obtain total Average Monthly Wage:\$ _____

DAILY RATE - is to be calculated in the following manner:
Average Monthly Wage _____ x 8 ÷ 12 ÷ 30.44 Daily Rate:\$ _____

Date _____ Signature _____

Explanation Of Wage Calculation

FORM D-7

Copy to be sent to
the injured worker
with the wage
calculation letter.

EXPLANATION OF WAGE CALCULATION (Pursuant to NAC 616C.520(1))

The amount of disability compensation payable to an injured employee is based on his average monthly wage at the time of the accident. The compensation due is calculated on a calendar day basis, and paid at the rate of 66 2/3% of the average monthly wage, subject to the statutory limitation that creates a maximum average monthly wage benefit that is 150% of the state-calculated average monthly wage. If disabled for at least five consecutive days, or five cumulative days within a 20-day period, each day of disablement, including and following the five days, is compensable. When a doctor releases the injured employee to work or he returns to work on his own, the eligibility for disability ceases.

ITEMS INCLUDED IN THE AVERAGE MONTHLY WAGE (Pursuant to NAC 616C.423)

The calculation of your average monthly wage includes the following: wages or salary; commissions which are prorated over the period used to calculate the AMW; incentive pay; payment for sick leave; bonuses which are prorated over the period used to calculate the average monthly wage; termination pay; tips which are collected and disbursed by the employer and are not paid at the discretion of the customer; tips you report pursuant to NRS 616B.227; payment for piecework, tool allowance, vacation, holidays, overtime, and travel time; and value of room and/or board. Concurrent employment with another employer may be included.

Items which cannot be included are: employment not subject to coverage under NRS 616A to 616D, inclusive or chapter 617 of NRS, or elective employment which has not been elected; reimbursement for job related expenses, including per diem and travel, and allowances for laundry or uniforms.

In certain instances, wages are determined by statute. Compensation will be based on that wage.

If your average monthly wage exceeds the State Average Monthly Wage, compensation will be based on the State Average Monthly Wage.

CALCULATION OF THE AVERAGE MONTHLY WAGE

A wage history of a period of 12 weeks must be used to calculate the average monthly wage. If a 12-week period is not representative of your average monthly wage, the following methods are to be used.

A period of one year, or the full period of employment if less than one year, may be used. It **must** be used if the average monthly wage would be increased; or pursuant to NAC 616C.435(3), if employee is a member of a labor organization and regularly employed by referrals from that office, wages from all employers for one year must be used if the average monthly wage would be increased.

If employed less than 12 weeks, but for a period not less than four weeks, wages are averaged for the available period; or earnings based on piecework or a period of less than four weeks must be based on the rate of pay and projected working schedule, or on an average equal to other employees doing the same work.

The period used to calculate the AMW must consist of consecutive days immediately preceding your accident. Each day must be counted, with the following exceptions: A certified illness or disability; institutionalized in a hospital, or other; enrollment as a full-time student and not employed on days of attendance; military service other than weekend duty; an officially sanctioned strike; or absence due to approved leave pursuant to the Family and Medical Leave Act of 1993.

Concurrent wages for employment by two or more employers may also apply. NAC 616C.447 provides that the insurer shall advise an injured employee in writing of his eligibility for compensation for concurrent employment at time of the initial payment of compensation.

IF IT APPEARS THAT AN ERROR HAS BEEN MADE IN THE WAGE DETERMINATION, PLEASE CONTACT YOUR CLAIMS AGENT. AN EXPLANATION OF THE CALCULATION WILL BE PROVIDED. THE WAGE WILL BE REVISED UPON PRESENTATION OF DOCUMENTATION (CHECK STUBS, INCOME TAX FORM W-2, WAGE STATEMENT FROM THE EMPLOYER) WHICH SHOWS THE ORIGINAL WAGE DETERMINATION TO BE IN ERROR. A REVISED WAGE WILL BE USED TO RECALCULATE AND ADJUST COMPENSATION FOR PERIODS ALREADY PAID, AS WELL AS FUTURE COMPENSATION.

Temporary Partial Disability
 Calculation Worksheet
 (NAC 616C.598(7))

For Claims Agent's Use

Injured Employee _____

Insurer _____

Third-Party Administrator _____

Employer _____

Claim Number _____ SSN _____

Pay Period (From) ____ / ____ / ____ Paid: Weekly _____

Pay Period (To) ____ / ____ / ____ Bi-Weekly _____

Semi-Monthly _____

Monthly _____

Gross Wage \$ _____

SSTax/FICA \$ _____

Medicare \$ _____

FIT/FWT \$ _____

Other (define) \$ _____

Net Wage \$ _____

(after the usual deductions are made for social security, income taxes and other required state or federal deductions)

Pursuant to NAC 616C.598(2).

TTD \$ _____

(for the same period)

Net Wage - \$ _____

TPD due \$ _____

(if the net pay is greater than the TTD rate, there is no entitlement to TPD) Pursuant to NAC 616C.598(1).

Days Not Included in Pay Period _____ Reason for Absence: _____ _____ _____ _____ _____

Prepared By _____

Date _____

D-46 (7/99)

Temporary Partial Disability Calculation FORM D-46

PPD Calculation

- Permanent Partial Disability Award Calculation Work Sheet – under 30% (Form D-9a)
- Permanent Partial Disability Award Calculation Work Sheet – over 30% (Forms D-9a and D-9b)
- Minimum lump sum calculation
– NRS 616C.495(6)

Sample Award Calculation Worksheet D-9a Under 25% Disability

PERMANENT PARTIAL DISABILITY AWARD CALCULATION WORK SHEET

Injured Employee: Rolle Neon-Kaiser DOB: 21-May 1981 Sex: _____
 SS#: _____ D. O. I.: 3-Nov 2013 Claim # _____
 *Average Monthly Wage: \$5,290.70 * State Average Wage: _____ Date of Rating: _____
 Date Award Offered: _____ Date Evaluation Report Received: _____

Body Basis - verification

Description: 2.0 %
 _____ %
 Total: 2.0 % BB

Installment Calculation

****005**
****006**

*A.	<u>\$5,290.70</u>	x	**0054	x	<u>2.0</u>	%BB	= \$	<u>\$63.49</u>	Year of Birth	Last TTD,
	Monthly Wage							Monthly Rate	***	TPD, or DOI
B.	<u>\$63.49</u>	x	12				= \$	<u>\$761.88</u>	1981	
	Monthly Rate							Annual Rate	+ <u>70</u>	+ <u>5 Yrs</u>
C.	<u>\$761.88</u>	/	365.25				= \$	<u>\$2.09</u>	2051	
	Annual Rate							Daily Rate		

Installment Calculation

(1)	Last Date TTD or TPD paid:	<u>07/22/14</u>	First Payment Date:	<u>09/01/14</u>				
(2)	Time Covered by First Payment: (a)	<u>07/23/14</u>	through (b)****	<u>08/31/14</u>				
*****DOI / date of claim reopening or day after last TTD/TPD								
(3)	First Payment:	<u>\$18.81</u>	+	<u>\$63.49</u>	+	<u>\$0.00</u>	=	<u>\$82.30</u>
		9 Day(s)		1 Month(s)		Year(s)		
(4)	Time covered by Annual Payments:	<u>09/01/2014</u>	through	<u>08/31/50</u>	=	<u>\$27,427.68</u>		
(5)	Time Covered by final payment:	<u>09/01/2050</u>	through	<u>05/20/51</u>	****	(<u>36</u>)	Years	
(6)	Final Payment	<u>\$507.92</u>	+	<u>\$41.80</u>	=	<u>\$549.72</u>		
	(<u>8</u>)	Month(s)	(<u>20</u>)	Day(s)				
	**** Monthly	Annual	xxxxx	Total of Installment Payments		<u>\$28,059.70</u>		

Sample Award Calculation Worksheet D-9a Under 25% Disability (Cont.)

<u>Minimum Lump Sum Calculation</u>			
.5 % X	<u>2.0</u>	%BB	X
			<u>\$5,290.70</u> Monthly Wage from (A) above:
			<u>\$5,290.70</u>
			<u>Minimum Lump Sum Amount</u>
<u>Lump Sum Calculation of Disability Up To and Including 25%</u>			
(Use form D-9b for disability greater 25%)			
(7)	Effective Date of Award (year, month following 2b) Per NAC 616C.502	<u>2014</u>	<u>9</u>
(8)	Date of Birth (year, month)	<u>1981</u>	<u>5</u>
(9)	Injured Employee Age at Award Effective Date= (7) minus (8) (years, months)	<u>33</u>	<u>4</u>
(10)	Monthly Rate from (B)	<u>\$63.49</u>	
(11)	Factor from Table for Present Value	X <u>\$174.11</u>	= <u>\$11,054.24</u>
(12)	Insert Sum of (3). Add to sum of (11) only.		+ <u>\$82.30</u>
(13)	Subtotal of (11) plus (12):		<u>\$11,136.54</u>
(14)	Greater of (13) Full Lump Sum or Minimum Lump Sum:		<u>\$11,136.54</u>
(15)	Minus any applicable award payments previously paid:		
(16)	Net Amount Payable:		<u>\$11,136.54</u>

* Use the Average Monthly Wage or the State Average Wage, whichever is lower. If the average monthly wage (AMW) for TTD on this claim is subject to the frozen 1993 rate, recalculate the AMW for PPD purpose.

** Use .005 for injuries sustained before 07/01/81. Use .006 for injuries sustained after 07/01/81, through 06/17/93. Use .0054 for injuries sustained on or after 06/18/93. Use .006 for injuries sustained on or after 1/1/00.

*** Per NRS 616.490(7), age at which entitlement ceases.

**** This must reflect the end of the month prior to election of the award. Recalculation may be required to bring the award to present day value. If (2)(b) is December date, use caution on line (4) to assure correct number of years. (If subtracting dates, add one year)

***** Must pay monthly installments if monthly entitlement is \$100 or more. May pay annual installment if monthly entitlement is less than \$100.

**** * Use date of claim reopening if TTD/TPD benefits were not paid after the claim was reopened (2)(b).

PREPARED BY: _____ Date: 01/23/15
 CHECKED BY: _____ Date: _____

Sample Award Calculation Worksheet D-9a

Minimum Lump Sum

PERMANENT PARTIAL DISABILITY AWARD CALCULATION WORK SHEET

Minimum Lump Sum

Injured Employee: _____ DOB: 06/10/1934 Sex: _____
 SS #: _____ DOI: 11/03/07 Claim #: _____
 *Average Monthly Wage: \$3470.56 *State Average Wage: _____ Date of Rating: _____
 Date Award Offered: _____ Date Evaluation Report Received: _____

Body Basis - Verification

Description: 1 %
 % Total 1 % BB

Installment Calculation

	**005 **006						
* A.	<u>\$3470.56</u>	x	**0054	x	<u>1</u>	%	BB = \$ <u>20.82</u>
	Monthly Wage						Monthly Rate
B.	<u>20.82</u>	x	12				= \$ <u>249.84</u>
	Monthly Rate						Annual Rate
C.	<u>249.84</u>	/	365.25				= \$ <u>0.68</u>
	Annual Rate						Daily Rate

Last TTD,
 TPD, or DOI
11/03/2007
 + 5 Yr.
2012

Year of Birth
 ***1934
 + 70
2004

Installment Calculation

(1) Last Date TTD or TPD Paid: _____ First Payment Date: 05/01/08

(2) Time Covered by First Payment: (a) 11/03/07 through (b)**** 4/30/2008
 ***** DOI/date of claim reopening or day after last TTD/TPD

(3) First Payment: \$ 19.04 + \$ 104.10 = \$ 123.14
 (28) Day(s) (5) Month(s) () Year(s)

(4) Time Covered by Annual Payments: 5/01/2008 through 4/30/2011 = \$ 749.52
 ***** (3) Years

(5) Time Covered by Final Payment: 5/01/2011 through 11/03/2012

(6) Final Payment: \$ 124.92 + \$ 2.04 = \$ 126.96
 (6) Month(s) (3) Day(s)

***** Monthly [] Annual [X] Total of Installment Payments: \$ 999.62

Sample Award Calculation Worksheet D-9a

Minimum Lump Sum (cont.)

Minimum Lump Sum Calculation

.5% X 1 % BB X \$3470.56 Monthly Wage from (A) above: \$1,735.28

Minimum Lump Sum Amount

Lump Sum Calculation of Disability Up To and Including 25%
(Use form D-9b for disability greater 25%)

(7) Effective Date of Award (year, month following 2 b) Per NAC 616C.502	<u>2008</u>		<u>5</u>
(8) Date of Birth (year, month)	<u>1934</u>		<u>6</u>
(9) Injured Employee Age at Award Effective Date = (7) minus (8) (years, months)	<u>73</u>		<u>11</u>
(10) Monthly Rate from (B)	\$ <u>20.82</u>		
(11) Factor from Table for Present Value	X <u>.96</u>	= \$	<u>19.99</u>
(12) Insert sum of (3). Add to sum of (11) only.		+	\$ <u>123.14</u>
(13) Subtotal of (11) plus (12):			\$ <u>143.13</u>
(14) Greater of (13) Full Lump Sum or Minimum Lump Sum:			\$ <u>1735.28</u>
(15) Minus any applicable award payments previously paid:		-	\$
(16) Net Amount Payable:			\$ <u>1735.28</u>

- * Use the Average Monthly Wage or the State Average Wage, whichever is lower. If the average monthly wage (AMW) for TTD on this claim is subject to the frozen 1993 rate, recalculate the AMW for PPD purposes.
- ** Use .005 for injuries sustained before 07/01/81. Use .006 for injuries sustained after 07/01/81, through 06/17/93. Use .0054 for injuries sustained on or after 06/18/93. Use .006 for injuries sustained on or after 1/1/00.
- *** Per NRS 616C.490(7), age at which entitlement ceases.
- **** This must reflect the end of the month prior to election of the award. Recalculation may be required to bring the award to present day value. If (2)(b) is December date, use caution on line (4) to assure correct number of years. (If subtracting dates, add one year)
- ***** Must pay monthly installments if monthly entitlement is \$100 or more. May pay annual installments if monthly entitlement is less than \$100.
- ***** Use date of claim reopening if TTD/TPD benefits were not paid after the claim was reopened (2)(a).

PREPARED BY: _____ DATE: _____

CHECKED BY: _____ DATE: _____

D-9a (REV 1/12)

