

Claim Topics

What do I pay a worker on modified duty?

A worker has been off due to a job-related injury. Their doctor says they can return to modified duty, and you have identified a job. When the doctor limits the number of hours a worker can be at work, you offer work up to that limit. What should they be paid?

You could pay the worker their normal rate while on modified duty. The advantage is they are being paid by you. If they work a normal week, insurance payments end. The disadvantage is that you are probably paying more than the modified duty is worth. It removes the incentive to return to normal work. This can affect the morale of co-workers.

Another option is to pay the rate for the job being done. This may be less than the worker's regular pay, motivating the worker to return to their regular pay promptly. Most union contracts allow employers to place a worker into modified work. If your contract does not allow this, you may wish to bring this up at the next negotiation. The contract may address which jobs may be considered, how long they are available, and the wage while on modified duty.

How is the worker paid?

It is best to work through an example.* Let's assume the worker earns \$300 per week. Compensation benefits while completely disabled are \$200. What happens when you bring the worker back? The more they earn, the more they take home and the less work comp pays!

	Earnings	Wage loss	Work comp pays	Total to worker
Week 1	\$100	66%	66% of \$200 = \$133	\$233
Week 2	\$150	50%	50% of \$200 = \$100	\$250
Week 3	\$200	33%	33% of \$200 = \$67	\$267

The Insurance Exchange welcomes the opportunity to help your organization examine these claim topic(s) and make recommendations for improvement.

** This is a sample illustration. Each state may have varying percentages applicable to the wage loss. State specific factors will be applied.*

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