

# MINNESOTA

## EMPLOYMENT LAW

### Workers' Compensation – Employee Benefits



Workers' compensation is a system of no-fault insurance that provides monetary and medical benefits to employees, or their survivors, for work-related injuries and illnesses.

Minnesota workers' compensation laws define employer responsibilities in the state's workers' compensation system. The [Division of Workers' Compensation](#) (DWC), part of the Minnesota Department of Labor and Industry, monitors compliance with workers' compensation requirements throughout the state.

Minnesota's workers' compensation laws determine the benefits available to employees who are injured in the course and scope of employment. An injury qualifies for workers' compensation coverage if the damage or harm an employee suffers is the result of an accident at work or an employee's exposure to a hazardous environment in the normal course of his or her employment.

#### MEDICAL CARE BENEFITS

Employers must provide prompt and adequate medical benefits to treat their employees' work-related injuries or illnesses. Employers may require their employees to seek medical care through a **certified managed care plan** as long as they provide advance notice to employees that they are covered under the certified plan. An employer that does not provide medical care to an injured employee may become liable for medical treatment the employee receives from any health care provider.

Medical care benefits include:

- **Medical, psychological, chiropractic, podiatric and hospital treatment and supplies.** Medical treatment also includes physical rehabilitation. At the employee's option, Christian Science treatment may be provided instead of medical treatment, chiropractic medicine and medical supplies. Employees wishing to receive Christian Science treatment must notify their employer in writing of their intention at the time of hire. Employers may opt out of providing Christian Science treatment option by notifying the DWC in writing.
- **Nursing services.** In cases of permanent total disability, employers may be required to pay for the reasonable value of nursing services provided by a member of the employee's family.
- **Medicines.** Employers may designate a pharmacy or network of pharmacies that employees must use to obtain outpatient medication. Employees are required to use

#### STATE RESOURCES

[Minnesota Division of Workers' Compensation website](#)

[Minnesota Department of Administration website](#)

#### Benefit Rate Chart

A chart showing various benefits rates under Minnesota's workers' compensation laws is available [here](#).

#### Employer Guidance

The Minnesota Department of Administration provides more information about workers' compensation for employers in this [handbook](#).



designated pharmacies only if the pharmacies are located within 15 miles of their place of residence.

- **Crutches and apparatus.** Employers must replace or repair artificial members, glasses or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs if these are damaged in a work-related injury.
- **Surgery.** Employers must cover surgical treatment when it is reasonably required to cure and relieve the effects of a work-related injury or occupational disease. However, employers cannot compel injured employees to undergo surgery. At the employer's expense, injured employees may receive a second opinion regarding the necessity of surgery. Employees may be required to cover a portion or the entire cost of a surgery if the DWC determines the surgery was not reasonably required.

The DWC regulates the procedures available for medical care and the fees that health care providers can charge for the treatment of work-related injuries. Any service, article or supply provided by an unlicensed complementary or alternative health care practitioner is **not** compensable under Minnesota's workers' compensation laws.

### **REHABILITATION**

An employee whose work-related injury causes an inability to work for **at least 13 weeks** may be entitled to participate in a vocational rehabilitation program at the employer's expense. The purpose of rehabilitation benefits is to enable injured employees to regain employment and return to their pre-injury economic status. In cases of employee death, a surviving spouse may also be entitled to receive rehabilitation services or any assistance he or she may need to become self-supporting. However, surviving spouses who receive rehabilitation assistance are not entitled to receive retraining benefits. The DWC must approve all rehabilitation programs.

### **MONETARY BENEFITS**

If an employee cannot return to work or sustains permanent physical impairments due to a work-related injury or illness, he or she may qualify for weekly monetary benefits (also called disability, indemnity or cash benefits) to compensate for lost wages. These benefits are immune from wage assignments, creditor claims, levies, executions, attachments and other remedies for debt collection. Monetary benefits are also tax exempt.

### **AVERAGE WEEKLY WAGE (AWW)**

An employee's monetary benefit rates are calculated as percentages of the average weekly wage (AWW) that the employee earned at the time of the injury or onset of occupational disease. The AWW is calculated by multiplying the employee's daily wage by the number of days and fractional days that the employee normally worked for the employer per week. The daily wage is the amount the employee earned for a full day of work in the employment where he or she was injured.

Other calculations may apply for employees who only work part-time, employees whose daily wages are difficult to determine due to an irregular work schedule, employees who normally work less than five days per week and employees who work an irregular number of days per week.

### **WEEKLY RATE LIMITS**

All monetary benefits are subject to maximum and minimum limits, which the DWC sets each year as of October 1. An employee's benefit limits depend on the date of injury.

The table below lists the most recent rate limits.



Date of injury	Weekly Maximum	Weekly Minimum
Oct. 1, 2019 – Sept. 30, 2020	\$1,166.88	The lesser of actual wage or \$130
Oct. 1, 2019 – Sept. 30, 2020	\$1,134.24	
Oct. 1, 2018 – Sept. 30, 2019	\$1,098.54	

### TEMPORARY DISABILITY BENEFITS

Temporary disability benefits are payable if an employee loses wages while recovering from a work-related injury or is participating in a rehabilitation program. An employee's recovery period ends when the treating physician determines that the employee has reached maximum medical improvement (MMI) for the work-related condition. In some cases, an employee may receive temporary disability benefits for up to 90 days after reaching MMI or completing a rehabilitation program.

Employees are **not** eligible to receive temporary disability benefits for **the first three calendar days** of lost work time after an injury. However, if a compensable condition results in **more than 10 calendar days** of disability, benefits for the first three days must be paid retroactively.

#### TEMPORARY TOTAL DISABILITY (TTD)

TTD benefits are payable if an employee is completely unable to work due to a compensable injury or is not working due to participation in an approved rehabilitation program. Weekly TTD benefits are **66 and two-thirds percent** of the AWW, subject to the minimum and maximum rates described above.

An employee who is **not** participating in a rehabilitation program may receive TTD benefits for **up to 130 weeks**. An employer may cease paying TTD benefits within this 130-week period if, during that time, the injured employee:

- Returns to work;
- Retires or otherwise withdraws from the labor market;
- Gains a partial ability to work but fails to diligently search for appropriate work within the scope of his or her physical restrictions;
- Is released to work without any physical restrictions; or
- Has reached MMI and received TTD benefits for 90 days after the MMI date.

An employee who **is** participating in a rehabilitation program may receive TTD benefits for an additional period of **up to 156 weeks** during his or her participation, as long as he or she does not refuse an offer of work that is consistent with the rehabilitation plan.

#### TEMPORARY PARTIAL DISABILITY (TPD)

To receive TPD benefits, an injured employee must be working but earning less than his or her full wages during either the recovery period or the employee's participation in an approved rehabilitation program. Weekly TPD benefits are **66 and two-thirds percent of the difference** between an employee's pre- and post-injury AWW, subject to the minimum and maximum amounts described above.

An employee who is **not** participating in a rehabilitation program may receive TPD benefits for **up to 275 weeks** and his or her eligibility for TTD benefits ceases if 450 weeks have passed since the date of injury. An employee who **is**



participating in a rehabilitation program may receive TPD benefits for an additional period of **up to 156 weeks**, even if 450 weeks have passed since the date of injury.

### PERMANENT DISABILITY BENEFITS

Permanent disability benefits are payable if an injured employee is no longer eligible for TTD benefits but has a permanent functional loss as a result of a work-related condition.

#### *PERMANENT PARTIAL DISABILITY (PPD)*

If an employee has a permanent functional loss because of a work-related injury, he or she may receive PPD benefits regardless of whether he or she is able to return to work. PPD benefits are based on a percentage of whole body disability, which is measured by a physician's impairment rating. The actual amount an employee may receive in PPD benefits is calculated by multiplying the employee's impairment rating by a dollar value determined by law. The table below outlines the applicable dollar values.

In most cases, injured employees may request their PPD benefits in a lump sum. Lump sum payments are payable **within 30 days** of the request and may be discounted to their present value.

#### *PERMANENT TOTAL DISABILITY (PTD)*

An employee qualifies for PTD benefits if he or she sustains one or more of the following as a result of a work-related injury:

- Total and permanent loss of sight in both eyes;
- Loss of both arms at the shoulder;
- Loss of both legs so close to the hips that no effective artificial member can be used;
- Complete and permanent paralysis;
- Total and permanent loss of mental faculties; or
- Any other injury which totally and permanently incapacitates the employee from working at an occupation that brings an income, as long as the employee's PPD rating is:
  - 17 percent or higher;
  - At least 15 percent and the employee is at least 50 years of age at the time of injury; or
  - At least 13 percent, the employee is at least 55 years of age at the time of injury and the employee has not completed grade 12 or obtained a GED certificate.

PTD benefit rates are **66 and two-thirds percent** of the AWW, subject to the maximum rate described above. However, PTD benefit payments may be reduced to account for pre-existing disabilities or disabilities derived from a congenital condition. PTD benefits are payable throughout the duration of the injured employee's disability. After the first \$25,000 in compensation is paid, an injured employee's PTD benefits will be reduced by the amount the employee receives from any government benefit (local or federal), such as Social Security income or survivor insurance benefits.

In addition, PTD benefits may end for an injured employee who turns 72 years of age. However, an individual who is injured after turning 67 may receive up to five years' worth of PTD benefits even if he or she turns 72 in that five-year period. Finally, PTD benefits are **not** available for individuals who are imprisoned in a public institution, unless there are others who are wholly dependent on the injured employee for their support.



### **REMODELING BENEFITS**

An employer may be required to cover up the costs of altering or remodeling the principal residence of an employee whose permanent work-related disability makes these changes necessary. Minnesota law limits this benefit to **\$75,000** per injury. If altering a current residence is not practicable, an injured employee may use this benefit to purchase or lease another principal residence that provides better accommodations. To obtain this benefit, an employee must obtain an order from the DWC.

### **DEATH AND BURIAL BENEFITS**

Employers must provide up to **\$15,000** in funeral expenses for employees who die because of a work-related injury or illness. Death benefits to compensate an employee's surviving dependents for their loss of income are available at a rate of up to **66 and two-thirds percent** of the AWW, subject to the minimum and maximum rates described above.

Death benefits for a deceased employee's dependents may be adjusted in the event of a spouse's remarriage or when a child reaches age 18. Lifetime death benefits may be available for surviving dependents who are unable to support themselves because of a mental or physical disability.

### **MORE INFORMATION**

Contact RAM Mutual Insurance Company or visit the DWC [website](#) for more information on workers' compensation laws in Minnesota.