TRANSITION BACK TO WORK:
Policies to Support Return to Work after Illness or Injury

August 31, 2017
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PREFACE

The Stay-at-Work/Return-to-Work (SAW/RTW) Policy Collaborative was established by the U.S. Department of Labor’s Office of Disability Employment Policy (ODEP) to support the development of policies, programs, and practices that encourage the continued employment of workers likely to leave the workforce due to injury, serious illness, or disability. The Collaborative consists of a Community of Practice to provide input and real-time feedback on specific policy topics related to SAW/RTW, and Policy Working Groups (PWGs), led by Subject Matter Experts (SMEs) and supported by IMPAQ International who explore policies and practices that curtail long-term work disability and job loss due to injury and illness, provide policy recommendations to key stakeholders, and develop resources to support policy action. The 2017 PWGs focused on three topics: (1) Replicating and Adapting the State of Washington’s Centers of Occupational Health and Education (COHE) Model; (2) Musculoskeletal Conditions and Pain Management; and (3) Transition Back to Work. This Policy Action Paper is a product of the Transition Back to Work Policy Working Group, co-led by Roberta Etcheverry (SME Lead) and Kay Magill (IMPAQ Lead).

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This Policy Action Paper was prepared by the Transition Back to Work Policy Working Group (PWG) of the U.S. Department of Labor’s Office of Disability Employment Policy’s (ODEP’s) Stay-at-Work/Return-to-Work (SAW/RTW) Policy Collaborative. In this paper, the PWG examines strategies to assist workers who have lost work time due to illness or injury in making the transition back to work as early as possible in their recovery process. After an injury, illness, or disability that causes him or her to disengage from the workforce, a worker may encounter obstacles to returning to work and continuing in their job essentially as before. The PWG focuses on partial return-to-work (RTW) strategies for those not yet able to return to full-duty at their previous jobs, as well as incentives for employers to ease the transition back to work through strategies such as light duty, reduced hours, workplace modifications, or transitional jobs.

Both government and the private sector can play an important role in ensuring that obstacles to RTW are removed or minimized and that the worker’s transition back to work is made as smoothly and as quickly as possible. The Transition Back to Work PWG provides state and federal policymakers, as well as both public and private employers, with the following recommendations for policies that support for the worker’s transition back to work.

1. **Facilitate the development of evidence of the effectiveness of transition-back-to-work strategies.** Policies that encourage development of the knowledge base and makes the case for programs focused on the workers’ transition back to work can help create a mechanism for promoting the implementation of such programs across sectors.

2. **Promote coordination and collaboration among stakeholders.** Developing state and local initiatives that involve collaboration and the leveraging of the resources of multiple government agencies can be an effective way to accomplish transition-back-to-work goals for workers who have disengaged from the workforce due to injury, illness, or disability. Further, establishing effective collaborative relationships among state agencies, private sector employers, insurance carriers, healthcare providers, and other stakeholders provides a firm foundation to support a worker’s transition back to work.

3. **Promote to employers the benefits of supporting transition back to work for employees who left the workforce due to injury, illness, or disability.** State agencies focused on employment, productivity, and rehabilitation should share information with employers in the state that communicates the benefits of early RTW intervention, best RTW and transition-back-to-work practices, and resources available to help employers improve RTW outcomes. A good mechanism for communicating with employers is through
intermediaries such as employer groups and associations that are in a position to establish best practices and make resources available to their employer members.

4. **Provide financial incentives to employers.**
   
a. **Wage subsidies to employers.** By providing wage subsidies to employers for returning injured or ill employees to transitional or partial RTW, employers will be better-positioned to financially justify the actions in support of RTW.
   
b. **Subsidies and incentives for accommodations.** Providing subsidies and incentives for employers to implement workplace accommodations can improve their overall ability to keep injured or ill employees working.
   
c. **Insurance premium discounts.** An additional strategy to incentivize employers in returning injured or ill employees to the workplace is to create insurance premium discounts based on successful RTW.
   
d. **Funding and related resources to develop transitional RTW programs.**
   
e. **Tax incentives that encourage employers to offer disability income protection coverage.** Both employers and employees may respond to tax incentives that offer a financial inducements and send a positive signal.

5. **Provide employers with technical resources.** Providing resources related to job accommodations, along with access to accommodation and RTW experts, can give employers confidence that the costs will be minimized and those incurred will result in successful RTW.

6. **Encourage employers to offer, and employees to take up disability income protection coverage.** State policymakers may consider measures, such as encouraging employers to use automatic enrollment arrangements for their disability income protection plans – with ample notice to employees regarding their right to opt out. Behavioral nudges such as automatic enrollment, which requires employees to opt out rather than opt in, have demonstrated positive outcomes.

7. **Incorporate provisions for partial disability benefit payments into temporary disability insurance programs.** Jurisdictions that have established temporary disability insurance programs should incorporate provisions for partial disability benefit payments if they have not done so already. Jurisdictions that are considering establishing temporary disability insurance programs should ensure that provisions for partial disability benefit payments are included in any program they establish.

8. **Implement RTW programs for state employees.** RTW programs for state employees can serve as model programs for employers in the state.
9. **At the national level, establish an executive level interagency coordinating committee to address RTW issues.** It is timely to raise federal government awareness of issues associated with the transition back to work, through a method frequently used by federal and state government agencies to address important matters; further, federal coordination at the highest levels of government may spur greater coordination among state systems.
1. INTRODUCTION

Every year, millions of workers in the United States experience an injury or a serious medical problem or disability that causes them to leave their jobs to obtain needed medical care, rehabilitation, or simply time for recovery.¹ Ideally, the time away from work is temporary and short in duration, which minimizes the consequences of what often is a major disruption for both the worker and the employer. However, for even a relatively brief absence from work, the worker must deal with healthcare providers, insurance companies, human resources personnel, workplace management, and other involved parties, which can be a complicated, time-consuming, and difficult endeavor. At the same time, the employer must devote other resources to getting the work done without replacing the employee.

When the worker is ready to transition back into the workplace such difficulties often persist. For example, he or she may not yet have the ability to work full-time, even with workplace accommodations. Or, he or she may be unable to function in the job in the same way as before the injury or illness. Many experts consider it critical that the worker can rely on public- and private-sector strategies that are designed to keep an injured or ill employee engaged with the employer to facilitate the transition back to work and increase the likelihood that the employee will stay in the workforce.²

This policy action paper focuses on return-to-work (RTW) strategies to assist workers in making the transition back to work as soon as possible and maximizing their participation in the labor force. Strategies considered here include partial RTW; partial disability benefits, and employer subsidies and incentives. While each strategy has its individual strengths, these strategies are enhanced when implemented together.

1. Partial RTW provides individuals with meaningful work that is designed to ease the transition back to work, within an individual’s medical restrictions if necessary, and thus re-engage them in the workforce sooner than otherwise might be possible. Typical partial RTW options include modified work (such as light duty), part-time work, and transitional or alternative work (that, for example, allows for medical restriction). During this transitional phase, employers might train workers to take on different jobs. Partial RTW allows employees to work while they are still recovering and in some cases, may be different than their regular job duties.

2. **Partial Disability Benefits** provide financial support to employees who transition back to work on a part-time basis or who are earning less than they did prior to their injury or illness. Temporary Disability Insurance (TDI) is mandated by some states that require employers to cover disability and injury for their employees. Short-Term Disability Insurance (STDI) may be offered to employees within an employer’s benefit package. Individuals can also purchase this insurance as a separate policy. TDI covers only non-work-related illness or injury. STDI benefits are integrated with Workers’ Compensation benefits.

3. **Employer subsidies and incentives** are made available in some states to support employers that develop programs that transition employees back to work or hire individuals who have a disability. Employers can also take advantage of tax credits, wage subsidies, and even insurance discounts.

RTW in general, and transition back to work in particular, have become topics of great interest to policymakers at the federal and state level. In most instances, state policymakers are the primary actors when it comes to developing policies that promote and facilitate the transition back to work for workers who have become disengaged from the workforce due to injury, illness, or disability. Federal policymakers also have shown an interest in identifying strategies that promote the capacity of workers who have left the workforce to transition back to work. Other audiences for this policy action paper include the insurance industry, which may develop and promote policies that support RTW within the industry, as well as medical providers, who may develop RTW policies, albeit at a more local level, for healthcare practitioners. Finally, individual employers may benefit from designing policies to facilitate the transition back to work for their own employees.

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3 As one indication, in addition to ODEP’s creation of the SAW/RTW Policy Collaborative, the Council of State Governments and National Conference of State Legislatures convened a National Task Force on Workforce Development for People with Disabilities in 2016, and highlighted SAW/RTW policy options that may support workforce connection among workers experiencing an injury or onset of disability or changes to their disability status. See: The Council of State Governments and National Conference of State Legislators (2016). *Work Matters: A Framework for States on Workforce Development for People with Disabilities.*
2. POLICY CONTEXT FOR TRANSITION BACK TO WORK

A worker’s disengagement from the workplace due to injury, illness, or disability can have major consequences for both the worker and the employer, not to mention the national economy and society at large. The next section describes some of the issues that especially affect the worker’s transition back to work following such an absence.

Multiple Complex Service Systems

When an employee experiences injury, illness, or disability that causes him or her to exit the workforce, he or she will likely interact with, at a minimum, medical practitioners, workplace managers, and benefits claims administrators. These professionals have their own specialized responsibilities and goals, which aren’t necessarily aligned with the RTW interest of either the employer or the employee. For example, healthcare practitioners tend to focus on diagnosis and treatment, not on functional and RTW outcomes, which have not traditionally been within the purview of medicine. They are typically not trained in the benefits of RTW, and may not consider the options that accommodations could provide a worker or have a full understanding of tasks specific to a given job. Additionally, the paperwork needed for RTW may be viewed as an unnecessary burden. The workplace manager may be more concerned about how best to get the work done in the employee’s absence than with the worker returning to work. Likewise, the claims administrator may be more concerned with claims processing and paperwork than on workforce attachment and the employee returning to work. Typically, there is limited communication among these professionals “due to professional traditions, social and business conventions, and organizational and infrastructure barriers.”

Several service systems are available that workers might access to help them with RTW. These resources include state vocational rehabilitation (VR) agencies, the public workforce system of American Job Centers (AJCs) under the Workforce Investment Opportunity Act (WIOA), private rehabilitation, and community-based employment programs. These service systems have program strengths that can support RTW. For example, WIOA Adult and Dislocated Worker programs are increasingly developing services that include supports for individuals with disabilities in response to their requirements to provide equal access under the Americans with

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4 For example, the situation that occurs when workers who are injured or who become ill leave the workforce permanently and apply for public disability benefits, i.e., Social Security Disability Insurance (SSDI).
8 Christian, op. cit.
Disabilities Act (ADA), a focus that may provide an opportunity to develop RTW supports. The AJC connection to eligible training providers can bring resources to support short-term training if required for new job skills or duties. The AJCs also have resources to support incumbent worker training and other business engagement services to support employers and RTW workers. VR has rehabilitation counselors with training to support the adjustment, emotional support needs, and encouragement. In many states, VR resources include assistive technology and workplace modification expertise as well as job and task analysis to assist with identifying transitional employment opportunities consistent with medical restrictions. There may be a need for job coaching resources to facilitate learning of new job duties. Also, with WIOA’s reauthorization of VR programs, there is a new option available to VR agencies to elect to provide stay-at-work services for workers with disabilities who are in immediate jeopardy of losing their jobs. This service can be provided outside of the Order of Selection process that otherwise requires VR agencies with waiting lists to serve those with the most severe disabilities first. Adult Education may also provide resources to help with learning new job skills. Working through the process of identifying system and program strengths and then aligning them to support workers in their transition back to work and the businesses that employ them can become the foundation of creating public/private partnerships for RTW. Policies that support such actions can drive local innovation and implementation of cross-program RTW services.

It is the case that these resources are typically not accessed by workers or employers for RTW services. One reason for this may be that resources such as the AJCs or VR are usually not engaged with individuals who are employed at the onset of a disability, illness, or injury. By the time they are needed for RTW assistance, there has usually been lengthy unemployment, which is not the typical RTW situation and which involves a slower process toward regaining employment. However, once these sources of assistance have come into play, collaboration and the leveraging of the resources of multiple government agencies should be considered as a way to assist workers in their transition back to work. An increased policy focus on improving the communication and coordination across the key players involved in RTW may be seen in the SAW/RTW Policy Collaborative’s “Replicating and Adapting COHE Strategies” PWG, which is exploring the policy considerations of adopting or adapting the RTW strategies of the Centers of Occupational Health & Education (COHE), a model workers’ compensation program of the Washington Department of Labor & Industries.9 In both the Washington COHE model and the Colorado program designed to adapt and replicate it, there has been a focus on coordination of early communication among injured workers, healthcare providers, and employers; coordination of care among healthcare providers; emphasis on functional outcomes; and incorporation of the RTW principles in all

aspects of the collaborative care system being developed. Another way in which agencies may collaborate is in the production of educational materials such as the RTW guide jointly developed by California’s Division of Workers’ Compensation and its Department of Fair Employment and Housing to address both workers’ compensation and disability law as they affect transition back to work.

**Costs and Benefits of Transition to Employers**

The high cost to business of workers leaving the job due to injury, illness, or disability is well documented. Improving the worker’s ability to transition back to work as soon as possible, helps lower the cost to business for expenses such as absenteeism, lost productivity, and, in some cases, the need to replace employees. To a business, however, retaining an employee at reduced productivity or retraining him or her for another position can appear to be an unacceptable cost. Although many employers will go this route for an employee with specialized skills, and some large companies view it as cost-effective to support RTW for low-wage workers as well, not all companies have actually assessed the costs and benefits of RTW, and may avoid investing in an RTW program on the basis of cost. Most employers would gain from considering both the up-front costs and the long-term benefits of establishing an RTW program, and determining if the benefit of a RTW program that keeps the employee outweighs the up-front costs (e.g., workplace modifications) as well as the cost of retaining an employee at reduced productivity or retraining him or her for another position.

One issue of concern here is that some of the costs and benefits may not be readily apparent or even very tangible, such as increased morale for the worker (and his or her co-workers) when accommodations are made and supported. Another issue is the misperception on the part of some employers that workers that are injured are malingering, seeking fraudulent opportunities, or being lazy and not interested in work. However, evidence shows the most workers would prefer returning to work with full benefits, especially because, far from gaining financially, they often receive less compensation following injury or illness than their previous salary.

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10 In 2012, the Integrated Benefits Institute found that poor worker health costs employers $576 billion annually, for expenses that include workers compensation and disability and group health programs. Of that amount, 39%, or $227 billion, results from lost productivity tied to poor worker health. See: Ceniceros, Roberto. (2012) Tracking True Cost of Lost Productivity Remains a Challenge. Workforce.com.


12 Bardos, et al., op. cit.


15 IAIABC, op. cit.
When considering RTW, an individual may need an accommodation to complete their work at the same level of production as they did prior to their injury or disability. Accommodations can range from something as simple as a magnifier to help with limited vision, to something more complex, and in some cases more expensive, such as modifying a work station or work process to accommodate physical or stamina limitations. Adding to the confusion for both employee and employer is the lack of knowledge that comes with the legal responsibilities, limited knowledge about the true costs of accommodations, and concepts such as undue hardship which could limit the employer’s responsibility to provide job accommodations to the employee.16

States, insurers, and employers have, in some cases, adopted policies designed to overcome these cost challenges to RTW. In an effort to improve the return on investment to employers and encourage them to participate in RTW programs, a number of states (see Appendix A) have adopted policies or implemented programs to provide, for example, wage subsidies, reimbursement for accommodation costs, or other financial incentives that help to offset the costs of an RTW program. Previous work by the SAW/RTW Policy Collaborative, the Council of State Governments, and the National Conference of State Legislatures, among others, suggests that employee retention strategies (including temporary partial disability and transitional work incentives), as well as incentives to stimulate private sector engagement in hiring or retaining workers with disabilities, are potential policy options and are already being attempted in selected states.17,18,19

**Individual Workers’ Concerns**

The Job Accommodation Network (JAN) notes that the likelihood of an injured worker returning to work drops to 50% by the 12th week of leave.20 This is a very short period of time to engage an employee who is not only adjusting to an injury/disability, but also seeking medical treatment and navigating the myriad agencies and resources available. With this in mind, it becomes important to consider the many factors—both internal and external—that have a part in determining whether an individual returns to work.

After a disability, a worker not only experiences the loss of a paycheck, but may also have limited interaction with colleagues and can feel cut off from communication and supports. This is especially difficult when you consider that the worker spends most of their time at the worksite.

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and may participate in social activities revolving around work. While away from work, an individual may have issues with lower self-esteem and loss of identity associated with work and changing home-life roles. Additionally, a stigma may be attached to the disability especially if it includes mental health and/or substance use. When you add in salary loss, stress, and potential job loss, it’s no wonder that decision-making processes suffer.

Individuals who experience an injury or illness that causes them to disengage from their job often have little previous experience adjusting their life and work activities to their changed circumstances. An important consideration is “affective forecasting,” which refers to the tendency for individuals to inaccurately predict their situation yet to come, tending to assume that their current state will be permanent, with limited ability to envision a different future. Someone who may not be able to work in the early stages of their recovery may have a hard time imagining working in the future.

RTW strategies that focus on early intervention and on facilitating transition back to work can alleviate some of these concerns and minimize their impact. For example, the availability of partial disability benefits can reduce the fear a worker may have that returning to work part-time or to a lower paying job will cost them (due to losing their workers’ compensation or disability benefit payments). Having support for the transition back to work in the form of a plan that specifies job modifications such as reduced hours or light duty can provide the worker with much needed reassurance regarding their employment status and capacity to do their job.

**Workers’ Compensation and Private Disability Insurance**

Important to a discussion of a worker’s transition back to work are the state-operated and -regulated worker’s compensation programs. Workers’ compensation provides medical care, rehabilitation, and cash benefits for working Americans who are injured on the job or who contract work-related illness. (Workers’ compensation programs also pay benefits to families of workers who die from work-related injuries or illness.) Workers’ compensation programs are regulated by the states and territories, and vary from jurisdiction to jurisdiction. With no centralized national-level administration, each state has developed their own policies and procedures which leads to varying benefits and quality of services across the states. State
variability creates complexity and limits the ability to get a clear understanding of costs to employers, the benefits being paid, and the number of workers affected. 25

Most states have provisions in their workers’ compensation programs to encourage the transition back to work of program beneficiaries through partial disability benefit payments. It is important to bear in mind that only a small proportion of work disability is covered under workers’ compensation programs. Less than 5% of disabling accidents and illnesses are work-related.26

Other types of disability insurance, such as private disability insurance and healthcare plans, share the same types of variability and complexity. While healthcare plans determine the types of services and costs that are authorized, workers’ compensation and private disability insurance plans have fluctuating degrees of success due to varying skill sets of front line staff and the influence of the culture, rules, and regulations of the organizations.27

26 Council for Disability Awareness (2012). Long-Term Disability Claim Review.
27 Christian, op. cit.
3. STRATEGIES TO SUPPORT THE RTW TRANSITION

This chapter presents an overview of state implementation of three key strategies that support the RTW transition: (1) partial RTW; (2) partial disability benefits; and (3) employer subsidies and incentives.

Partial RTW

Partial RTW strategies are employed to ease the transition back to work within an individual’s medical restrictions. Reduced work hours, worksite modifications, and adjustments to job responsibilities are commonly used strategies to provide RTW opportunities for individuals who are able to transition back to work but have not fully recovered from their illness or injury and are not ready to be fully re-integrated into the workplace. Partial RTW approaches often involve the development and implementation of temporary work plans that define new, modified or reduced job responsibilities that are meaningful to the employee and productive for the employer.

Partial RTW options may include transitional work, i.e., work that is focused on a time-limited period between when the worker has experienced an injury or disability but is able to work, and when he or she is able to return to full employment. The transitional work often needs to be different from the regular, full-time duties the worker was performing before he or she was injured; it may involve new, modified or reduced job responsibilities. Sometimes the transitional work must accommodate physician-prescribed restrictions; the transitional job opportunity offers the worker with job restrictions the opportunity to take on “real” job duties for a specified period as they gradually return to their original job duties.

State programs promoting partial RTW

Several states have developed programs that explicitly promote partial RTW. For example, Arkansas Rehabilitation Services (ARS) offers Stay at Work/ Return to Work (SAW/RTW) services to employers assisting employees who experience injury or illness that results in disability in remaining at work or returning to work as soon as it is safe and medically feasible. ARS provides support in the form of program staff with the expertise to assist in vocational counseling; specialized vocational assessments, on-site job assessment, identification of accommodations and modifications to the work environment, job analysis to identify the specific functions of a job and the mental and/or physical requirements needed for successful job performance, individualized employee training regarding the correct use of any new technology or equipment introduced to assist in work performance, and comprehensive communication with employees and the employer about modified duty/transitional work options.
Partial RTW in Workers’ Compensation

Many states have developed programs within their workers’ compensation system that assist employers in developing transitional work opportunities for a workers’ compensation claimant who is released for work with restrictions that prevent him or her from doing full-duty regular work. In Oregon, for example, the Employer-at-Injury Program (EAIP) allows employers to request reimbursement from their insurance carrier for early return-to-work costs and claim costs. Montana promotes RTW by requiring insurers to provide SAW/RTW assistance through their own policy or by assigning a state rehabilitation counselor and contacting individuals who file workers’ compensation claims to notify them about available RTW assistance. Washington State’s Stay at Work (SAW) program provides financial incentives to employers paying workers' compensation premiums who retain employees in temporary, transitional, light-duty jobs, until they have recovered or the employee’s healthcare provider determines that permanent restrictions are required. Transitional job assignments may include modified work, part-time work, or alternative work and must be approved by a healthcare provider. Some state workers’ compensation programs provide technical assistance to employers, such as in the set of Return to Work Services provided by North Dakota’s Workforce Safety & Insurance, which includes RTW case managers who coordinate transitional work for employees returning to work. Ohio operates Transitional Work Grants that partially reimburse employers who hire a state-accredited transitional job developer to create a customized transitional work program for their work site. The state also offers a bonus through the Transitional Work Bonus program for employers who use an approved transitional work plan to return injured workers back to work.

The workers’ compensation systems in North Carolina and Massachusetts have taken an additional step to encourage workers to take advantage of partial RTW opportunities by implementing trial periods to minimize employee risk of losing workers’ compensation benefits. North Carolina offers a trial RTW period for up to nine months for the worker to try returning to work, and Massachusetts provides for a 28-day trial work period before benefits are terminated.

States have also published guides and handbooks for employers that contain resources for implementing RTW programs, including advice on offering appropriate transitional work assignments. States such as Montana, New York, Georgia, and California have published guides to best practices for employers, which recommend that employers offer workers realistic opportunities for transitional work through modified work, part-time work, or duties of different job classifications.

Partial Disability Benefits

An obstacle to the most timely and expedient transition back to work under some public disability income replacement programs is an “all or nothing” definition of disability. Under such definitions, a working American recovering from an illness or injury faces an incentive not to
transition back to her or his work unless and until she or he can return full-time to full duty. This discourages a recovering employee from using even significant residual capacity to carry out job duties, because he or she will receive neither full pre-disability pay nor disability income benefits while working at less than full capacity.

Some public disability income replacement programs—and most commercial disability income protection plans—provide for “partial disability benefits” (also known as “residual disability benefits” under provisions of some commercial disability income protection plans). Partial disability benefit provisions provide for a disability income plan to make reduced disability payments for employees able to transition back to work temporarily on a part-time basis due to reduced capacity. The partial benefit payments offset earnings loss while the employee makes the transition back to full-time, full duty schedule.

**State Temporary Disability Programs**

A handful of jurisdictions in the United States—California, Hawaii, New Jersey, New York, Puerto Rico, and Rhode Island—have established “temporary disability insurance” (TDI) programs that cover most of the residents working in those jurisdictions (see Figure 1). These programs provide partial wage replacement for employees who are unable to work because of illness or injury, as well as in connection with pregnancy. Entitlement to income replacement benefits under these programs does not require that an individual’s work disability\(^{28}\) arises from job-related illness or workplace injury. Benefit payments under these programs can be relatively modest. The maximum benefit period is 26 weeks in Hawaii, New Jersey, New York, and Puerto Rico. The maximum benefit period is 52 weeks in California. In Rhode Island, the maximum benefit period is 30 weeks.

The focus of these state TDI programs is, of course, on preventing financial hardship by replacing a portion of an employee’s pre-disability earned income. The California, New Jersey, and Rhode Island programs, however, provide for allowing employees recovering from an illness or injury to receive a reduced TDI benefit if they are transitioning back to work and earning less than their full pre-disability income.

\(^{28}\) A “work disability” is a disabling condition that prevents an individual from carrying out the duties of his or her job.
## Figure 1. State Temporary Disability Programs

<table>
<thead>
<tr>
<th>State</th>
<th>Maximum Benefit Period (weeks)</th>
<th>Maximum Benefit Amount (per week)</th>
<th>Does the Program Provide for Partial Disability Benefits?</th>
<th>Source</th>
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<td>NJ</td>
<td>26</td>
<td>$633</td>
<td>Yes – A disabled employee can receive partial TDI benefits if transitioning back to work. Earned income plus partial TDI benefits cannot exceed the beneficiary’s regular wages.</td>
<td><a href="http://lwd.dol.state.nj.us/labor/tdi/tdihome.html">http://lwd.dol.state.nj.us/labor/tdi/tdihome.html</a></td>
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</table>

**Private Disability Income Protection**

Private disability income insurance provides tens of millions of Americans with protection that complements the safety net provided by the Social Security Disability Insurance (SSDI) program. Approximately 39% of U.S. workers in private industry are covered by employer-sponsored short-term disability coverage, while 32% receive long-term disability insurance through their employers.²⁹

Private short-term disability coverage typically pays benefits for 13 to 26 weeks based on a specified percentage of the employee’s pre-disability income—typically 60%—after sick leave has been exhausted. Circumstances that may trigger the payment of short-term disability benefits include temporary musculoskeletal conditions, connective tissue conditions, and other illnesses or conditions that resolve within a relatively short timeframe.

Long-term disability plan benefit periods vary. Depending on the plan, income replacement benefits continue anywhere from five years to the remainder of an individual’s life. A benefit period lasting until normal Social Security retirement age is common.

A key aspect of private disability income protection coverage is that policy provisions are designed to encourage and support timely RTW when such a transition is safe and appropriate. Private disability insurers work to identify claimants who may be able to recover and transition back to the workplace and to maximize the chances of a successful return through early intervention, assistance, and support. It is also typical for private disability insurance plans to include provisions for partial disability benefit payments.

Recognizing that residents in their states are more financially secure when households have the benefit of private disability income protection—and that ill or injured workers are more likely to return to the workplace when assistance from a disability income insurer is available to them—some state lawmakers favor state policies to extend private disability income coverage to more of their residents. (Private disability income protection also reduces the burden on state programs that assist individuals with disabilities by keeping incomes above the poverty level and helping these individuals participate in the workforce.)

The state of Maine enacted legislation in early 2016 to encourage automatic enrollment of employees in disability income protection plans (with notice of right to opt out of the plans). Our country’s experience with policies to encourage automatic enrollment in 401(k) plans suggests that a similar approach would be an effective means to extend private disability income protection coverage to more working Americans. As part of the Pension Protection Act of 2006 (PPA), Congress clarified that automatic enrollment arrangements are permissible under federal law, and that state laws should not frustrate such arrangements. The positive effects of the PPA automatic enrollment provisions proved significant. For instance, a 2013 analysis found that 73% of 401(k) plans with automatic enrollment arrangements reported very robust employee participation (80% of employers or higher) versus 40% of plans without automatic enrollment arrangements reporting employee participation as robust.

The National Conference of Insurance Legislators has adopted as one of its model acts a legislative template providing for tax incentives to encourage employers to offer disability

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31 Maine Revised Statutes (2016) An Act to Encourage Maine Employers to Offer and Employees to Enroll in Disability Income Protection Plans in the Workplace.
income protection coverage to their employees and to enroll employees.\textsuperscript{33} Although tax incentives for employing persons with disabilities or providing accommodations to workers with disabilities have has less impact than hoped, a substantial “body of empirical research has suggested that (this) favorable tax treatment of fringe benefits has created an effective incentive to substitute fringe benefits for wages, and that much of the growth of private pension and health insurance plans can be attributed to that favorable tax treatment.”\textsuperscript{34}

**Employer Subsidies and Incentives**

The issues that employers encounter that are either perceived or real barriers to employees returning to work following injury, illness, or disability include:

- The cost of interventions to return employees with temporary limitations to the workplace;
- The loss of productivity and associated costs that can result from an employee performing transitional work;\textsuperscript{35} and
- The concerns around whether or not the employer has the necessary expertise to identify and implement appropriate, effective and cost-effective strategies to support RTW.

States are implementing varying approaches to financially incentivize employers who make investments in safely transitioning employees back to work following injury, illness, or disability. Commonly-used approaches include wage subsidies; reimbursement, tax credits or loans for expenses related to job accommodations and workplace modifications; grants to develop transitional work plans; and insurance premium discounts for designing and implementing an approved RTW program. In some instances, these approaches are a component of a broader set of RTW programs and resources available in the states. States can further support employers in their efforts to retain employees with disabilities by incorporating components of the various model programs in place. The following is a review of such programs and features.

**Costs and Benefits for Employers’ RTW efforts**

Research supports that timely and appropriate efforts to retain employees with disabilities in the workplace can improve RTW overall and reduce the amount of time away from the workplace

\textsuperscript{33} National Conference of Insurance Legislators (2016). *Employer-Sponsored Group Disability Income Protection Model Act*.


\textsuperscript{35} Bardos, op. cit.
and the duration of work disability.\textsuperscript{36} Implementing RTW strategies early in the process, with a focus on maintaining the employer-employee relationship is one of the most effective ways to support positive employment outcomes for individuals with disabilities.\textsuperscript{37}

While studies have shown that the cost of workplace accommodations are often low-cost or no-cost to the employer,\textsuperscript{38} there can be, however, relatively high costs for employers in the development of RTW programs, for example, the cost of utilizing consultants in the design of a program, and personnel costs for time spent planning, developing and implementing such a program. And while the cost of the accommodation itself may be low-cost or no-cost, employers can also incur costs when utilizing accommodations specialists to identify appropriate case-by-case accommodations and RTW strategies.

In order for employers to make informed decisions as they consider returning an injured or disabled employee back to work, it is important they understand the benefits associated with early return to the workplace, as well on the return on investment related to the costs incurred.

\textbf{Direct and Indirect Benefits}

There are direct cost savings associated with returning injured or disabled employees back to work. Employees returned to work will collect fewer disability benefits payments that if they remained off work. Employers with fewer workers’ compensation claims involving time off work often experience cost savings on insurance premiums.\textsuperscript{39} A study of California employers showed that formal RTW programs led to a 3 to 4-week reduction in time to RTW for injured employees and demonstrated that reduction in the time to return back to work can lead to a net savings for the employer,\textsuperscript{40} most directly in terms of dollar savings for disability benefits.

With regard to the cost of accommodations that support injured or ill employees in returning to work, employers report that they accrue many direct and indirect benefits. Employers who participated in the JAN study (of employers who had requested information or assistance from JAN) reported benefits when providing accommodations such as increased overall company productivity, increased workplace safety, improved interactions with customers, and increased

\begin{itemize}
\item Loy, op. cit.
\item Washington State Department of Labor and Industries. Employer’s Return-to-Work Guide.
\item Mitchell, K., op. cit.
\end{itemize}
profitability. Figure 2 shows the percentage of employers in the JAN study who reported experiencing direct and indirect benefits as a result of having made an accommodation.

**Figure 2. Percentage of Employers Experiencing Benefits**

<table>
<thead>
<tr>
<th>Direct Benefits</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained a valued employee</td>
<td>90</td>
</tr>
<tr>
<td>Increased the employee's productivity</td>
<td>73</td>
</tr>
<tr>
<td>Eliminated costs associated with training a new employee</td>
<td>61</td>
</tr>
<tr>
<td>Increased the employee’s attendance</td>
<td>56</td>
</tr>
<tr>
<td>Increased diversity of the company</td>
<td>40</td>
</tr>
<tr>
<td>Saved workers' compensation or other insurance costs</td>
<td>38</td>
</tr>
<tr>
<td>Hired a qualified person with a disability</td>
<td>13</td>
</tr>
<tr>
<td>Promoted an employee</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indirect Benefits</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved interactions with co-workers</td>
<td>64</td>
</tr>
<tr>
<td>Increased overall company morale</td>
<td>63</td>
</tr>
<tr>
<td>Increased overall company productivity</td>
<td>56</td>
</tr>
<tr>
<td>Increased workplace safety</td>
<td>46</td>
</tr>
<tr>
<td>Improved interactions with customers</td>
<td>45</td>
</tr>
<tr>
<td>Increased overall company attendance</td>
<td>40</td>
</tr>
<tr>
<td>Increased profitability</td>
<td>27</td>
</tr>
<tr>
<td>Increased customer base</td>
<td>16</td>
</tr>
</tbody>
</table>

Regarding the direct benefit of eliminating the cost of training a new employee, when we look at total costs associated with hiring a new employee, that can include costs for advertising the position, interviewing candidates, pre-employment testing, training, and human resources and management staff time. These costs are calculated to range from $4,000 to $8,000 per position filled. These are costs employers may avoid by retaining injured or disabled employees.

**Return on Investment**

There are also statistics showing the return on investment gained by employers who provide job accommodations and implement RTW plans and strategies. More than half of the employers surveyed in the JAN study said that each accommodation benefited their organization an average of $5,000, resulting in a 10 to 1 return on investment.

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41 Loy, op. cit.
Promoting awareness of these additional benefits that may be gained from workplace accommodations can serve as further incentives for employers to consider accommodations.

**Wage subsidies for employers**

Employers may be apprehensive to consider partial RTW for injured or ill employees based on the concern that employees with temporary limitations may not be fully productive in performing their jobs. This is experienced as a loss of productivity for the employer, despite their paying full wages to the employee. Employers who receive wage subsidies for returning injured or ill employees to transitional or partial RTW will be better-positioned to financially justify implementing RTW strategies.

For example, Washington State’s Department of Labor and Industries reimburses eligible employers for 50% of the base wages paid to injured workers, as well as assisting with costs related to training and tools the employee will need to perform the work.45

The State of Oregon’s Employer-at-Injury Program, funded by worker and employer contributions to the Workers’ Benefit Fund, encourages the early RTW of injured workers by helping reduce the employer’s RTW-related costs and reducing claims costs. It is administered by the insurer responsible for the claim. Wage subsidies repay the employer for 45% of the early RTW gross wages for up to 66 work days within a 24-consecutive-month period. The insurer helps the employer develop the early RTW and request reimbursement from the department.46

**Workplace accommodation costs**

Ongoing studies conducted by JAN show that employers who implement workplace accommodations report that the accommodations are either very effective or extremely effective at supporting the employee in performing productive work.47 Providing subsidies and incentives for employers to implement workplace accommodations may improve their overall ability to keep injured or ill employees working.

Both the Washington and Oregon programs referenced above include provisions to reimburse employers for the cost of workplace modifications, accommodations, and assistive technology. The Montana Department of Labor and Industry provides up to $2,000 for eligible employers in support of workplace modifications for injured employees. In October 2016, the department reported that 275 employees were able to return to work as a result of funding provided via the Stay-at-Work/Return-to-Work Assistance Program.48

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46 State of Oregon. *Employer-at-Injury Program (EAIP).*
47 Loy, op.cit.
Insurance discounts

One additional strategy to incentivize employers in returning injured or ill employees to the workplace is to create insurance premium discounts based on successful RTW. This adds to the cost-savings associated with discontinued benefits payments upon returning an employee to work.

Ohio’s Bureau of Workers’ Compensation provides employers a bonus for using an approved transitional work plan to return employees to work. The potential incentive is a 10% bonus for using an established transitional work program; applicable to claims with dates of injury within that bonus year of program participation.

North Dakota has a preferred worker program with incentives including workers’ compensation premium exemption for up to three years. 49

Funding support for transitional work programs

Developing and implementing a comprehensive transitional/RTW program requires a significant amount of planning on the part of the employer. 50 In order for programs to be effective, they must involve a range of stakeholders working collaboratively with defined roles and responsibilities. Without experience in developing such programs, employers may be reluctant to commit the necessary time and resources. By providing funding and related resources to employers in the program development process, states can support employers in this area.

The Ohio Transitional Work Grants program is designed to help employers develop a transitional work program specific to their business and employees. Eligible employers receive funding to work with an accredited transitional work developer to formulate customized policies and procedures, work with unions if applicable, and establish relationships with healthcare providers who will respond to the employee’s medical and rehabilitation needs and understand the business operations. The Ohio Bureau of Workers’ Compensation (BWC) will reimburse the employer 75% of the total cost the employer paid to the transitional work developer for covered services. If the employer does not use all of the BWC-approved funding after the initial grant reimbursement is made, the money will go into the employer's implementation fund which can be used at any time as long as BWC’s Transitional Work Grant Program is active and grant funds are available. 51 Employers who do not meet the program eligibility requirements (related to prior grant receipt, participation in the workers’ compensation system, etc.) for a transitional work grant may contact the transitional work department to receive BWC resources to develop their own transitional work plan. From 2001 to 2005, the Ohio BWC awarded 10,176 grants to

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49 North Dakota Workforce Safety & Insurance. Preferred Worker Program.
50 Hall, R. Early Return-to-Work Programs: Benefits and Keys to Success. At Work Resources.
employers. A study of employers who received grants in 2001 showed that these employers were able to realize improvement in the following areas:52

- Combined private and public employers exhibited a positive trend in the number of medical-only claims to lost-time claims ration from 4.2 in 2001 to 7.7 in 2006.

- Less lost time claims results in a decrease severity. One of the primary goals of transitional work is to reduce severity of the days a worker is away from the job. The average temporary total disability days paid per claim was cut by 51% over 5 years from 22.7 days per claim in 2001 to 11.6 days per claim in 2006. Public employers followed the same trend reducing temporary total disability days paid by 59% and even more significantly reducing the average temporary total disability days paid per claim form 82.5 days to 22.6 days.

- According to the University of Cincinnati study within one year of enrolling in the BWC Transitional Work Grant Program, over one third of companies with worker’s injuries having to do with musculoskeletal diagnosis experienced improved outcomes. Of the 149 companies who enrolled in the grant program in 2001: 83 (55.3%) experienced a decrease in number of claims; 75 (50%) experienced a decrease in lost-time claims; and 90 (60%) experienced a decrease in days lost.

Technical support in identifying appropriate RTW strategies

As noted above, one potential barrier to employers considering RTW strategies is the concern that they do not have the expertise to identify accommodations that will be effective in supporting the individual’s ongoing productive employment. The fear that the money invested into these efforts may simply not result in the desired outcome can prevent the employer from moving forward. When employers receive technical resources and access to experts, they can be more confident that the costs incurred will result in RTW.

For example, the Statewide Benefits Office of the State of Delaware has a designated RTW coordinator to provide assistance to employers in the RTW process. This includes working with the employer to develop a RTW plan as well as assistance in acquiring assistive technology to support the performance of the essential functions of the job.53

The Michigan Department of Health & Human Services provides guidance to employers to help keep injured or ill workers employed. The State operates the Business Network Unit’s

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Accommodations Centers using a comprehensive team approach to design and provide accommodations and ergonomics for specific employer needs.\textsuperscript{54} Services to employers include:

- Work station and seating evaluations
- Ergonomic risk factor assessments
- Ergonomics training
- Assistive technology assessments
- Complete follow-up on all services provided.

**Promoting employers’ awareness of available assistance**

Dissemination of the information about these programs and available assistance is key to widespread utilization and increased positive RTW outcomes. For example, the 2004 amendments to California Labor Code required the establishment of an RTW Program to promote early and sustained RTW of injured employees. The program reimbursed employers for expenses to modify the workplace to accommodate injured employees. A survey distributed to employers in 2008 indicated only one in ten of respondents had heard of the program, with most respondents recommending that small employers be informed about the program through communications from employer organizations, state agencies, city business licensing offices, workers’ compensation insurers and brokers, and news media.\textsuperscript{55}

**Education for employers on the costs and benefits of transitional RTW for employees**

Many employers may fail to invest in transitional RTW strategies due to lack of an understanding of the overall costs and benefits associated with these efforts.\textsuperscript{56} As more people—researchers, policymakers, program staff, and other stakeholders—become aware of the need to communicate the benefits of RTW efforts, there is increased availability of evidence of best RTW and transition-back-to-work practices, and resources that help employers improve RTW outcomes.

Recognizing that the key to supporting positive employment outcomes is early action on the part of the employer, the Washington State RTW program provides access to a Risk Management Specialist who can explain the financial benefits of return to work. This specialist can explain to an employer how a workers' compensation claim affects the company's "experience factor" (a value that compares the claim profile of an employer to the claim profile that would be expected of an employer of similar size (payroll) in the same industry (class codes) and is used to adjust

\textsuperscript{54} State of Michigan, *Workplace Accommodations and Ergonomics*.


\textsuperscript{56} Bardos, op. cit.
insurance premiums accordingly) and premiums, and encourages them to take early action in the RTW of the injured or ill employee.\(^{57}\)

The development and dissemination of information designed to educate employers on the cost-reductions, available resources and support, and benefits gained from early RTW efforts is key to the success of the programs and strategies.

\(^{57}\) Washington State, op. cit.
3. RECOMMENDATIONS

After an injury, illness, or disability that causes him or her to disengage from the workforce, a worker may encounter obstacles to returning to work and continuing in their job as before. Both government and the private sector can play an important role in ensuring that obstacles to RTW are removed or minimized and that the worker’s transition back to work is made as smooth as possible. The Transition Back to Work PWG provides state and federal policymakers, as well as both public and private employers, with the following recommendations for policies that support the worker’s transition back to work.

1. **Facilitate the development of evidence of the effectiveness of transition-back-to-work strategies.** Policies that encourage development of the knowledge base and makes the case for programs focused on the workers’ transition back to work can help create a mechanism for promoting the implementation of such programs across sectors. In particular, sponsorship of rapid-cycle evaluation and the tracking of early trends—as opposed to evaluations of long-term projects—could provide evidence of the value of instituting such programs in both public and private settings.

2. **Promote coordination and collaboration among stakeholders.** Developing state and local initiatives that involve collaboration and the leveraging of the resources of multiple government agencies can be an effective way to accomplish transition-back-to-work goals for workers who have disengaged from the workforce due to injury, illness, or disability. Establishing effective collaborative relationships among state agencies, employers, insurance carriers, healthcare providers, and other stakeholders can provide a firm foundation to support a worker’s transition back to work. Breaking down the silos is key.

3. **Promote to employers the benefits of supporting transition back to work for employees who left the workforce due to injury, illness, or disability.** Many employers are unaware of the typical return on investment from RTW efforts, or the programs, resources, or expertise available to help them establish better RTW policies and practices. State agencies focused on employment, productivity, and rehabilitation should share information with employers in the state communicating the benefits of early RTW intervention, best RTW and transition-back-to-work practices, and resources available to help employers improve RTW outcomes. A good mechanism for communicating with employers is through intermediaries such as employer groups and associations that are in a position to establish best practices and make resources available to their employer members related to:
   
   a. How to access/utilize available resources
   b. Importance of communication in the process
   c. Having a structured program
d. Training and educating those in the organization about the program

e. Using qualified professionals for support in RTW

4. **Provide financial incentives to employers.**

a. **Wage subsidies to employers.** By providing wage subsidies to employers for returning injured or ill employees to transitional or partial RTW, employers will be better-positioned to financially justify the actions in support of RTW. Using the Oregon Employer-at-Injury program as a model, employers and employees would contribute to a fund from which to provide these wage subsidies.

b. **Subsidies and incentives for accommodations.** Providing subsidies and incentives for employers to implement workplace accommodations can improve their overall ability to keep injured or ill employees working. Promoting awareness of the additional benefits gained from workplace accommodations can serve as further incentives for employers to consider accommodations.

c. **Insurance premium discounts.** One additional strategy to incentivize employers in returning injured or ill employees to the workplace is to create insurance premium discounts based on successful RTW. This strategy further supplements the cost-savings associated with an employee discontinuing the receipt of benefits payments upon returning to work.

d. **Funding and related resources to develop transitional RTW programs.** A useful model of a transitional RTW program is that of Ohio’s Transitional Work Grants program, where eligible employers are provided with grant funds to utilize accredited transitional RTW coordinators to assist them in the design and implementation of effective programs for the RTW of injured or ill employees.

e. **Tax incentives that encourage employers to offer disability income protection coverage.** Both employers and employees may respond to tax incentives for financial reasons and because tax incentives send a positive signal.

5. **Provide employers with technical resources.** Providing resources related to job accommodations, along with access to accommodation and RTW experts, can give employers confidence that the costs incurred will result in successful RTW. As with the State of Delaware, technical experts (state employees) can be available to guide and advise employers on assistive technology and job accommodations.

6. **Encourage employers to offer, and employees to take up, disability income protection coverage.** State policymakers may consider measures such as encouraging employers to use automatic enrollment arrangements for their disability income protection plans—with ample notice to employees regarding their right to opt out.
7. **Incorporate provisions for partial disability benefit payments into temporary disability insurance programs.** The expectation or requirement that an individual can return to work only if he or she can return full-time to full duty can delay RTW, and the longer a worker is out on disability, the more likely it is that he or she will leave the workforce permanently. Phasing in a transition back to work is often a more realistic approach. Jurisdictions that have established temporary disability insurance programs should incorporate provisions for partial disability benefit payments if they have not done so already. Jurisdictions that are considering establishing temporary disability insurance programs should ensure that provisions for partial disability benefit payments are included in any program they establish.

8. **Implement RTW programs for state employees.** RTW programs for state employees can serve as model programs for employers in the state. Educational materials for employees of the state who are responsible for RTW coordination and templates for forms and documents could also be made available to employers who seek to implement RTW programs and best practices.

9. **At the national level, establish an interagency coordinating committee at the executive level to address RTW issues.** Transition back to work has become a national issue: Among other trends, the rise in use of technology is causing worker dislocation, and there is an increasing prevalence of chronic conditions in the U.S. workforce. It is timely to raise federal government awareness of RTW issues through a method frequently used by federal and state government agencies to address important matters; further, federal coordination at the highest levels of government may spur greater coordination among state systems. In addition to U.S. Department of Labor agencies such as ODEP, the Employment and Training Administration, the Occupational Safety and Health Administration, and the Office of Workers’ Compensation Programs, federal agencies with an interest in disability employment, SAW/RTW policies, and prevention of long-term disability include: the Rehabilitation Services Administration (U.S. Department of Education), responsible for Vocational Rehabilitation programs; the Social Security Administration; the Department of Veterans Affairs; the U.S. Department of Transportation (the Federal Transit Administration funds many local jurisdictions that provide public transit and transportation for people with disabilities); and U.S. Department of Health and Human Services agencies such as the National Institute for Disability, Independent Living, and Rehabilitation Research and the National Institute of Occupational Safety and Health. The U.S. Department of Housing and Urban Development, which administers Section 8 vouchers and other housing assistance to people with disabilities may also have a contribution to make to this national committee.

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58 For example, the 2016 National Task Force on Workforce Development for People with Disabilities convened by the Council of State Governments and the National Conference of State Legislatures.
REFERENCES


## Glossary of Terms and Acronyms

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<tr>
<th>Term</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td><strong>Centers of Occupational Health &amp; Education (COHE)</strong></td>
<td>A program established in Washington State aimed at achieving the workers’ compensation healthcare goals of improving quality of care, reducing work disability, improving health outcomes, preventing chronic disability through provider education and support, and increasing employer and worker satisfaction with care. COHEs work with medical providers, employers, and injured workers in a community-based program designed to ensure timely, effective, and coordinated services for injured workers.</td>
</tr>
<tr>
<td><strong>Partial Disability Benefits</strong></td>
<td>Partial Disability Benefits provide financial support to employees who transition back to work on a part-time basis or who are earning less than they did prior to their injury or illness.</td>
</tr>
<tr>
<td><strong>Partial RTW</strong></td>
<td>Partial RTW provides individuals with meaningful work that is designed to ease the transition back to work, within an individual’s medical restrictions if necessary, and thus re-engage them in the workforce sooner than otherwise might be possible. Typical partial RTW options include modified work (such as light duty), part-time work, and transitional or alternative work (that, for example, allows for medical restriction).</td>
</tr>
<tr>
<td><strong>Provider</strong></td>
<td>An individual or organization that provides healthcare services, including medical, pharmacological, physical, rehabilitative, and behavioral health services.</td>
</tr>
<tr>
<td><strong>Return to Work, RTW</strong></td>
<td>A focus on supporting workers who sustain injuries or develop health conditions in returning to the jobs they held before their injury or condition onset, or, if that is not possible, in returning to a modified version of their position or another position with the same employer, or, if not that, then a position with another employer through which they can reconnect to the workforce.</td>
</tr>
<tr>
<td><strong>Stay at Work, SAW</strong></td>
<td>A focus on supporting workers who sustain injuries or develop health conditions in remaining in the jobs they held and/or with their employers from before their injury or condition onset, or, if not that, then a position with another employer through which they can remain part of the labor force.</td>
</tr>
<tr>
<td><strong>SAW/RTW Policy Collaborative</strong></td>
<td>Established by DOL ODEP to support the development of policies, programs, and practices that encourage the continued employment of workers likely to leave the workforce due to injury, serious illness, or disability, the SAW/RTW Policy Collaborative consists of a Community of Practice to provide input and real-time feedback on specific policy topics related to SAW/RTW, and Policy Working Groups led by Subject Matter Experts who work together to explore effective SAW/RTW practices, inform policy recommendations to key stakeholders, and develop resources to support policy action.</td>
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<tr>
<td>Term</td>
<td>Definition</td>
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<td>-------------------------------------------</td>
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<tr>
<td><strong>Social Security Disability Insurance (SSDI)</strong></td>
<td>A program that pays monthly benefits to citizens who are insured by workers’ contributions to the Social Security Trust Fund, who become disabled before reaching retirement age and are unable to work.</td>
</tr>
<tr>
<td><strong>Transitional work</strong></td>
<td>Temporary work assignments provided to individuals with temporary restrictions with the intent of transitioning the individual back to their regular job.</td>
</tr>
<tr>
<td><strong>Work disability</strong></td>
<td>The inability to perform essential job tasks or maintain employment due to a health concern.</td>
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<tr>
<td><strong>Workers’ compensation</strong></td>
<td>State-based programs in which employees receive medical treatment and lost wages upon suffering a work-related injury or illness and give up the right to sue their employer for negligence. Workers’ compensation is funded by employers, who generally either buy a workers’ compensation policy through a private insurer or become a qualified self-insurer.</td>
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**Acronyms**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Term</th>
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<tbody>
<tr>
<td>ACOEM</td>
<td>American College of Occupational and Environmental Medicine</td>
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<tr>
<td>ADA</td>
<td>Americans with Disabilities Act</td>
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<tr>
<td>BWC</td>
<td>Bureau of Workers Compensation (Ohio)</td>
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<tr>
<td>COHE</td>
<td>Centers of Occupational Health &amp; Education (Washington)</td>
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<tr>
<td>DOL</td>
<td>U.S. Department of Labor</td>
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<tr>
<td>EAIP</td>
<td>Employer-at-Injury Program (Oregon)</td>
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<tr>
<td>IAIABC</td>
<td>International Association of Industrial Accident Boards and Commissions</td>
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<td>JAN</td>
<td>Job Accommodation Network</td>
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<tr>
<td>ODEP</td>
<td>Office of Disability Employment Policy (DOL)</td>
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<tr>
<td>PWG</td>
<td>Policy Working Group</td>
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<tr>
<td>RAVE</td>
<td>Retaining a Valued Employee (Alabama)</td>
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<tr>
<td>RTW</td>
<td>Return to Work, Return-to-Work</td>
</tr>
<tr>
<td>SAW</td>
<td>Stay at Work, Stay-at-Work</td>
</tr>
<tr>
<td>SSDI</td>
<td>Social Security Disability Insurance</td>
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<tr>
<td>STDI</td>
<td>Short Term Disability Insurance</td>
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<tr>
<td>TDI</td>
<td>Temporary Disability Insurance</td>
</tr>
<tr>
<td>VR</td>
<td>Vocational Rehabilitation</td>
</tr>
<tr>
<td>WIOA</td>
<td>Workforce Investment Opportunity Act</td>
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1. INTRODUCTION

The Stay-at-Work/Return-to-Work (SAW/RTW) Policy Collaborative was established by the U.S. Department of Labor’s Office of Disability Employment Policy (ODEP) to support the development of policies, programs, and practices that encourage the continued employment of workers likely to leave the workforce due to injury, serious illness, or disability. The Collaborative consists of a Community of Practice to provide input and real-time feedback on specific policy topics related to SAW/RTW, and Policy Working Groups (PWGs), led by Subject Matter Experts (SMEs) and supported by IMPAQ International, who explore policies and practices that curtail long-term work disability and job loss due to injury and illness, provide policy recommendations to key stakeholders, and develop resources to support policy action. The 2017 PWGs focused on three topics: (1) Replicating and Adapting the State of Washington’s Centers of Occupational Health and Education (COHE) Model; (2) Musculoskeletal Conditions and Pain Management; and (3) Transition Back to Work. This Policy Action Paper is a product of the Transition Back to Work Policy Working Group, co-led by Roberta Etcheverry (SME Lead) and Kay Magill (IMPAQ Lead).

The Transition Back to Work PWG focused on state strategies to support the transition back to work for workers who disengaged from the workforce due to injury, illness, or disability. Building on the work of the SAW/RTW Policy Collaborative in previous years, IMPAQ compiled information gained from a scan of documents, policies, and legislative databases relevant to the topic, including data on notable state legislation and initiatives. From this scan, we developed the following overview/resource map of programs, policies, and legislation across states. This document provided background information and a framework for discussion for the PWG and now serves as an Appendix to its Policy Action Paper.
2. STRATEGIES TO SUPPORT THE RTW TRANSITION

Individuals with injuries, illnesses, or disabilities who are able to work benefit economically and socially from employment. The government benefits financially as well, from reduced expenditures on benefit programs, such as Social Security Disability Insurance, Supplemental Security Income, and Medicaid. Strategies that promote timely RTW among workers with disabilities who are able to work may reduce the duration of disability, and thus improve outcomes for workers, the government, and society at large.

State policymakers have recently shown interest in identifying RTW strategies that can be implemented at the state level, such as partial RTW, partial disability benefits, and employer subsidies and incentives. Partial RTW provides individuals with work that is designed to ease the transition back to work, within an individual’s medical restrictions if necessary, and thus re-engage them in the workforce sooner than otherwise might be possible. Typical partial RTW options include modified work (such as light duty), part-time work, and transitional or alternative work, and can thus provide employment that is meaningful to the employee and productive for the employer. Often, these approaches are accompanied by partial income support for the employee, typically through partial disability benefits payments. Partial disability income during RTW transition has been identified by policy researchers and stakeholders as an important means of encouraging work and alleviating anxiety among workers who may avoid returning to work part-time or to a lower paying job because they would lose their workers’ compensation or disability benefit payments. 59,60

Interest has also emerged in offsetting employer costs for retaining or hiring workers with disabilities. A recent analysis of research and data on RTW interventions by Bardos, et al., found that although both employees and government programs financially benefit from these interventions, employers in some cases may face financial loss due to up-front costs (e.g., workplace modifications) or to the cost of retaining employees at reduced productivity. Alleviating these costs, for example through wage subsidies, reimbursement for accommodation costs, or other financial incentives, may improve the return on investment to employers and encourage them to participate in RTW programs.

3. IMPLEMENTATION OF RTW TRANSITION STRATEGIES BY THE STATES

This chapter presents an overview of state implementation of three key strategies that support the RTW transition: 1) Partial RTW; 2) Partial disability benefits; and 3) employer subsidies and incentives. Each section begins with a brief description of the strategy, followed by a map depicting implementation of the strategy by state, and a narrative describing the details of implementation by state. It should be noted that some states employ more than one strategy.

3.1 Partial RTW

Multiple states are attempting to encourage timely RTW through promoting transitional work, i.e., work that is different from the regular, full-time duties they were performing before they were injured. These programs stress the importance of providing meaningful work opportunities on a time-limited basis as a way of for individuals who are able to work within certain restrictions but have not fully recovered from their illness or injury to be re-integrated into the workplace. Programs and strategies range from offering employers funds to retain injured workers and develop temporary, transitional work plans, to disseminating best practice and resource guides. These strategies are generally enhanced by the availability of partial disability benefits, detailed in Section 3.2, which allow workers to return to work part-time or to a lower wage job that meets their needs, while still receiving some benefit payments.

Figure 1: States with Partial Return to Work Programs
Oregon, Washington and Ohio offer programs to employers to encourage the development of transitional work opportunities for injured workers. In Oregon, the Employer-at-Injury Program (EAIP) incentivizes employers to develop transitional work for an injured worker who is released for work with restrictions that prevent him or her from doing full-duty regular work, by allowing them to request reimbursement from their insurance carrier for early return-to-work costs and claim costs. This transitional work may involve modifying the employee’s regular work, reducing their job duties, assigning the employee to a different job, providing a worksite modification, or providing the opportunity to attend a skills-building class.

Similarly, Washington’s Stay at Work (SAW) program provides financial incentives to employers paying workers’ compensation premiums who retain injured employees in temporary, transitional, light-duty jobs, until they have recovered or the employee’s health care provider determines that permanent restrictions are required. Transitional job assignments may include modified work, part-time work or alternative work and must be approved by a health-care provider. In a pilot project at WorkSource Everett, one of the state’s busiest one-stops, the Washington Department of Labor & Industries has been very successful with a program to help injured and recovered workers return to work. (See https://esd.wa.gov/newsroom/worksource-everett-reemployment-team-wins-national-award.)

Ohio operates Transitional Work Grants which partially reimburse employers who hire a state-accredited transitional job developer to create a customized transitional work program for their work site. A transitional work program offers injured workers with job restrictions resulting from a work-related injury the opportunity to take on real job duties for a specified period and gradually return to their original job duties. The state also offers a bonus through the Transitional Work Bonus program for employers who use an approved transitional work plan to return injured workers back to work.

Other states, such as North Dakota and Alabama, provide technical assistance to employers in order to help them identify or develop transitional work options for their workplace. North Dakota’s Workforce Safety & Insurance, a state agency and sole provider of workers’ compensation in the state, offers employers a set of Return to Work Services, including RTW case managers who coordinate transitional work for injured employees.

Alabama’s Retaining a Valued Employee (RAVE) program offers several free services to employers and their employees who have been injured on or off the job, or employees whose performance is affected by a disabling condition. Available services include on-site job assessment, identification of accommodations, and comprehensive communication with employees and the employer about modified duty/transitional work options.

Similarly, Arkansas’ vocational rehabilitation agency, Arkansas Rehabilitation Services (ARS) offers Stay at Work/ Return to Work (SAW/RTW) services to employers assisting employees who experience injury or illness that results in disability in remaining at work or returning to work as soon as it is safe and medically feasible. ARS provides support in the form of program staff with the expertise to assist in vocational counseling; specialized vocational assessments, on-site job
assessment, identification of accommodations and modifications to the work environment, job analysis to identify the specific functions of a job and the mental and/or physical requirements needed for successful job performance, individualized employee training regarding the correct use of any new technology or equipment introduced to assist in work performance, and comprehensive communication with employees and the employer about modified duty/transitional work options.

States have also developed and published guides and handbooks targeted at employers with tools, resources and advice on implementing RTW programs or offering appropriate transitional work assignments. In Montana, the state promotes RTW more broadly, by requiring insurers to provide SAW/RTW assistance through their own policy or by assigning a state rehabilitation counselor and sending post cards to individuals who file workers’ compensation claims notifying them about available RTW assistance. The state has also developed a Best Practices Guide and a Frequently Asked Questions document for employers, which suggest employers provide employees with realistic opportunities for transitional work through modified work, part-time work, or duties of different job classifications.

In Texas, the Division of Workers’ Compensation makes services available to employers including individual consultations, workshops, seminars, and trainings, and published an employer resource guide on RTW for workers injured on the job. The resource guide provides advice on developing transitional work assignments that are productive and involve “real work.”

New York has published an RTW handbook with best practices for employers, which advises employers to offer injured workers transitional work assignments, time-limited duties.

Georgia has a Model Return to Work Program guide, which includes guidance on developing transitional employment teams and written transitional employment plans for injured or ill workers.

California has a Return to Work Handbook, primarily aimed at educating small employers about workers’ compensation and disability rights. It also describes how to offer regular, modified, or alternative work under workers’ compensation laws.

Although states have generally focused on assisting employers to promote partial RTW, North Carolina and Massachusetts have taken an additional step to encourage workers to take advantage of partial RTW opportunities by implementing trial periods to minimize employee risk of losing workers’ compensation benefits. North Carolina offers a trial RTW period for up to nine months to try returning to work and Massachusetts provides for a 28-day trial work period when returning to work while minimizing the risk of terminating benefits before an employee is fully ready.
3.2 Partial Disability Benefits

Many states have laws providing for partial disability benefits that are paid to employees who return to work but earn less than they would have had their injury or illness not occurred. However, the majority of these programs provide partial disability benefits under temporary disability provisions in the state’s workers’ compensation system, and it is important to bear in mind that only a small proportion of work disability is covered under workers’ compensation (less than 5% of disabling accidents and illnesses are work-related). A handful of jurisdictions in the United States—California, Hawaii, New Jersey, New York, Puerto Rico, and Rhode Island—have established Temporary Disability Insurance (TDI) programs outside of the workers’ compensation system that cover most of the residents working in those jurisdictions. These programs provide partial wage replacement for employees, including those who are unable to work because of illness or injury. Entitlement to income replacement benefits under these programs does not require that an individual’s work disability arises from job-related illness or workplace injury.

Figure 2: States with Temporary/Partial Disability
In **Alabama**, temporary partial disability is paid when an injured employee returns to work, with restrictions, to light duty or part-time. Temporary partial disability is paid at 66⅔% of the difference in the employee’s earnings at the time of injury and the earnings in his or her restricted capacity. This compensation is paid during the period of disability but not beyond 300 weeks.

In **Alaska**, injured workers who can return to work for less than a full day may receive temporary partial disability benefits. Benefits are calculated by taking 80% of the difference between a worker’s spendable weekly wage (gross weekly earnings minus payroll tax deductions) before the injury and their spendable weekly wage after returning to work. Employees are eligible for TPD benefits until they reach medical stability, for up to a maximum of five years.

In **Arizona**, eligible recipients of temporary partial disability shall be paid 66⅔% of the difference between the wages earned before the injury and the wages that the injured person is able to earn thereafter. Unemployment benefits received during the period of temporary partial disability are considered wages able to be earned.

In **Arkansas**, an injured employee with a temporary partial disability resulting in the decrease of the injured employee's average weekly wage shall be paid 66⅔% of the difference between the employee's average weekly wage prior to the accident and his or her wage-earning capacity after the injury.

In **California**, employees who are approved by their health care provider to return to work part-time may receive partial disability insurance payments equal to their wage loss but not more than their weekly benefit rate.

In **Colorado**, injured employees may be eligible for temporary partial disability benefits if they return to work before reaching maximum medical improvement, if they are not released to usual duties, if they return to modified duties with reduced wages or hours, or if they earn less than the average weekly wage.

In **Connecticut**, when an injured employee is able to perform some type of work, but not the same kind of work or the same number of hours they worked at the time of the injury, they may receive the temporary partial disability benefit. This benefit is 75% of the after-tax and social security difference between the amount they are currently earning, and the amount they would have been earning if they hadn’t been injured.

In **Delaware**, an injured employee may be eligible for temporary partial disability if the employee goes back to work part-time or at a lower rate than his/her pre-injury wage, the employee may be entitled to two-thirds of the difference between the pre-injury wage and his/her current wage. Partial disability may be received up to 300 weeks.

In **Florida**, an injured employ may be eligible for temporary partial disability benefits if their doctor states they can return to work with restrictions and the employee is unable to earn 80% of the wages they were earning at the time of their accident. Eligible employees will receive
money equaling 80% of the difference between 80% of what they earned before their injury and what they are able to earn after their injury. Employees can receive up to a total of 104 weeks of temporary partial disability benefits.

**Georgia** provides temporary partial disability payments for an employee returning to work and earning less than he or she did before an injury. Upon return to work, a claimant worker must show a good faith effort to work at an appropriate job for a 15-day trial period within physician-directed limitations. If he or she doesn’t, the employer may suspend benefits.

In **Hawaii** an injured employee may be eligible for workers’ compensation temporary partial disability benefits during their transition back to work. An injured employee may be paid 66⅔% of the difference between their average weekly wages before their injury and their weekly earnings after if their injury diminishes their capacity for work and is not permanent.

In **Idaho**, an injured employee may be entitled to temporary partial disability benefits if they are able to return to part-time or modified work while still recovering from their injury or disease, and they are receiving less than their usual earnings. Benefits are paid at two-thirds of the difference between the employee's wage at the time of the work injury and their current wage after their work injury.

In **Illinois**, an injured employee may receive a temporary partial disability benefit during the period in which he or she is still healing and working light duty, on a part-time or full-time basis, and earning less than he or she would earn in the pre-injury employment. The employer pays benefits to an injured employee until the employee has returned to his or her regular job or has reached maximum medical improvement. The temporary partial disability benefit is two-thirds of the difference between the employee's wage at the time of the injury and their current wage after their work injury.

In **Indiana**, an injured employee may be eligible for temporary partial disability benefits when the employee is partially unable to work for the employer he or she was working for at the time of his or her injury. For example, an employee’s injuries might limit the number of hours he or she is able to work, or might mean that the employee is temporarily assigned to a job that pays less than his or her pre-injury job. The benefit is paid at the rate of two-thirds of the difference between the employee’s pre- and post-injury average weekly wages, subject to a maximum period of 300 weeks.

In **Iowa**, temporary partial disability benefits may be payable if the employee returns to work at a lesser paying job because of the injury. The benefit amount is 66⅔% of the difference between the employee’s average gross weekly earnings at the time of the injury and the employee’s actual earnings while temporarily working at the lesser paying job.

In **Kansas**, temporary partial disability exists when the worker returns to any employment, including employment with a different employer, at a wage less than the time of injury wage. Compensation is calculated on a weekly basis and is paid until the wage loss is no longer present.
or the benefit maximum is reached, whichever comes first. Benefits are \(66\frac{2}{3}\%\) of the difference between the employee’s average gross weekly wage before the injury and the employee’s wage after the injury. Benefits may not exceed the state’s statutory maximum.

**Kentucky** does not have a temporary partial disability benefits program. Kentucky Workers’ Compensation does have provisions for [temporary total, permanent total, and permanent partial benefits](#).

**Louisiana** does not have a temporary partial disability benefits program. Louisiana Workers’ Compensation does have provisions for [temporary total, permanent total, and permanent partial benefits](#).

In **Maine**, Temporary Partial Workers’ Compensation benefits are based on 80% of the difference between a worker’s after-tax earnings before and after an injury, subject to a weekly maximum payment amount. Depending upon the extent of the disability, these payments will either be capped at 364 weeks or will continue for the duration of the disability.

**Maryland** provides [temporary partial disability](#) when a worker can only perform limited or part-time duties and is earning less than he or she previously did. The employer or its insurer pays the covered employee compensation equal to 50% of the difference between the average weekly wage the covered employee earned prior to the injury and the wage the employee makes in the same or other employment while temporarily partially disabled.

**Massachusetts** has a [temporary partial disability](#) program that pays "partial incapacity benefits" to workers who can still work but lose part of their earning capacity because of their injury or illness. This may include an injury forcing the worker to change jobs at a lower pay rate or to work fewer hours. Insurers pay the injured employee a weekly compensation equal to 60% of the difference between his or her average weekly wage before the injury and the weekly wage he or she is capable of earning after the injury. The maximum compensation under this section of the law is limited to 75% of what the worker’s weekly benefits would have been if he or she was eligible for total incapacity benefits.

In **Michigan**, if an injured employee returns to work and because of his or her injury receives wages less than his or her average weekly wage, he or she receives [workers’ compensation benefits](#) equal to 80% of the after-tax value of the difference.

In **Minnesota**, [Temporary partial disability](#) is a wage-loss benefit payable to employees who return to work, but earn less than their pre-injury gross weekly wage. It is payable at two-thirds of the difference between what the employee earned at the time of the injury and the current earnings.

In **Mississippi**, [temporary partial disability benefits](#) may be accessed by employees who are limited by their injury and have not reached maximum medical improvement, but have returned to work in some capacity. If the worker’s new job pays less than the previous position, he or she
is entitled to temporary partial disability benefits, and is paid 66⅔% of the difference between
pre- and post-injury weekly earnings. Benefits may continue in this category for up to 450 weeks.

In Missouri, injured employees may be eligible for temporary partial disability. These benefits
are paid to an injured employee during their period of disability, but not for longer than 100
weeks. An injured employee is paid 66⅔% of the difference between their average earnings prior
to the accident and the amount they are estimated to be able to earn during their period of
disability, which is based upon the nature and extent of the injury and the ability of the employee
to compete in an open labor market.

Montana has a temporary partial disability program for injured workers who, prior to maximum
healing, are approved to return to a modified or alternative employment that they are able and
qualified to perform. The temporary partial disability program covers workers who suffer an
actual wage loss as a result of a temporary work restriction. Injured workers may be eligible for
a benefit of 60% of the difference between their prior injury earnings and post-injury earnings.

Nebraska’s statutes provide injured workers with partial disability compensation. Compensation
is 66⅔% of the difference between the wages received at the time of the injury and the earning
power of the employee thereafter, but not more than the maximum weekly income benefit. This
compensation is paid during the partial disability period, not to exceed 300 weeks.

In Nevada, employees who are injured may receive temporary partial disability compensation.
Different from most other states, Nevada calculates this benefit based on the difference in the
amount an injured employee would have been entitled under temporary total disability and what
they earn after their injury. This ensures that an injured worker in Nevada who returns to work
earns at least as much they would have been eligible for under temporary total disability. Injured
employees are eligible for benefits for a period not to exceed 24 months during the period of
disability.

In New Hampshire, temporary partial benefits are paid to an injured employee if they return to
work and due to their disability are unable to earn the equivalent amount they were earning prior
to their disability. Temporary partial benefits are 60% of the difference between pre- and post-
injury earnings. These benefits may be collected for up to 262 weeks.

New Jersey does not have a temporary partial disability benefits program under workers’
compensation, although temporary total disability benefits may be available. Temporary total
benefits may be available when an injured worker is cleared by a medical professional to return
to work in some capacity or if the injured worker has reached maximum medical improvement
(MMI). Partial permanent injuries or total permanent injuries may remain upon reaching MMI,
and the worker may then be eligible for permanent partial disability.

New Mexico does not have a temporary partial disability benefits program. If an injured
worker goes back to work at lower pay they may be entitled to a permanent partial disability
benefit based on an impairment rating and several other factors.
In New York, temporary partial disability benefits may be available to injured workers who have temporarily lost some ability to work and earn full wages. The amount an injured worker receives is based on their average weekly wage (gross earnings) for the 52 weeks prior to the date of injury, including overtime. For the temporary partial disability benefit, an injured worker receives two-thirds of their average weekly wage, adjusted by the extent of their disability. For example, if a worker is 25% disabled, they will receive 25% of two-thirds of their average weekly wage prior to their injury.

In North Carolina, temporary partial disability statutes exist for injured employees. If the employee’s post-injury wages are less than those earned pre-injury, the employee is entitled to compensation equal to two-thirds of the difference between the post-injury and pre-injury average weekly wages, up to the statutory maximum weekly benefit. Temporary disability benefits are payable up to 500 weeks, including both temporary partial disability benefits and temporary total disability benefits.

In North Dakota, an injured worker who is able to return to work but earns a wage lower than their pre-injury wage receives temporary partial disability benefits equal to two-thirds of the difference between their pre-injury and post-injury earnings. The partial disability benefits may not exceed five years. The five-year cap on benefits can be waived in catastrophic cases.

In Ohio, injured workers may be eligible for wage loss compensation when they return to employment. This benefit is calculated on a weekly basis and paid at 66⅔% of the difference between the injured worker’s average weekly wage or full weekly wage, whichever applies based on date of injury or disease, and the injured worker’s actual weekly present earnings.

In Oklahoma, temporary partial disability may be payable for up to 52 weeks when an injured worker can perform alternative work, but cannot earn as much as he or she earned before the injury. If the injured employee is temporarily unable to perform his or her job, but may perform alternative work offered by the employer where the weekly wage for performing the alternative work is less than the temporary total disability rate, he or she shall be entitled to receive compensation equal to the greater of 70% of the difference between the injured employee's average weekly wage pre-injury and the weekly wage for performing alternative work after the injury.

Oregon provides temporary partial disability payments when the disability resulting from a workplace injury is, or becomes, partial only and is temporary. Temporary partial disability is used as an alternative to temporary total disability and is aimed at keeping workers on the job. The possibility of payment of work disability benefits for permanent impairment acts as incentive for employers and insurers to assist injured workers with returning to work.

In Pennsylvania injured workers who return to work at a lower paying job with work-related restrictions may be eligible to receive partial disability benefits in the form of wage-loss payments. Wage-loss benefits are equal to approximately two-thirds of the injured worker’s
average weekly wage, for which Pennsylvania law provides several different ways to calculate. The minimum compensation rate is the lower of 90% of the workers' average weekly wage or 50% of the statewide average weekly wage. This benefit may be available for a maximum of 500 weeks.

**Rhode Island** has a non-workers' compensation *Temporary Disability Insurance (TDI) Partial Return to Work Program* that allows individuals collecting TDI to return to work at reduced hours and collect a partial TDI payment if their earnings when returning to work part-time are less than their TDI benefit rate. The standard benefit period for partial TDI payments is eight weeks, though they can be extended an additional one to four weeks under certain circumstances.

In **South Carolina**, injured workers who return to work in a part-time or light-duty capacity may be eligible for *temporary partial* benefits to help make up any difference in salary the injured worker makes post-injury. Eligible workers receive two-thirds of their average weekly wage for a maximum period of 340 weeks.

In **South Dakota**, an employee may be entitled to *temporary partial disability benefits* if a physician allows an employee who is still recovering from an injury or disease to return to part-time or modified work and the employee is receiving less than his or her usual earnings. These benefits are computed on the basis of one-half the difference between the average amount earned before the injury and the average amount the employee is earning or able to earn in some suitable employment after the injury. These benefits are payable until the employee is returned to full employment or until maximum medical improvement.

In **Tennessee**, *temporary partial disability benefits* may apply if the injured employee is placed on “light duty” or restricted to working fewer hours than normal by the treating physician. During the course of treatment for a work-related injury, the treating physician may determine an injured employee can return to work on “light duty.” If the employee is paid a lesser pay or is restricted to fewer hours because of the light duty, the employee is entitled to TPD benefits. These benefits are calculated at 66⅔% of the difference between the gross light duty wages and the employee’s average weekly wage.

In **Texas**, injured employees who return to work may be eligible for *temporary income benefits* if their work-related injury or illness causes them to lose all or some of your wages for more than seven days. Temporary income benefits are equal to 70% of the difference between the worker’s average weekly wage and the wages they are able to earn after their work-related injury.

In **Utah**, injured workers may be eligible for *temporary partial disability* under the following circumstances: If the injury causes temporary partial disability for work, the employee shall receive weekly compensation equal to 66⅔% of the difference between the employee's average weekly wages before the accident and the weekly wages the employee is able to earn after the accident, but not more than 100% of the state average weekly wage at the time of injury. The duration of weekly payments may not exceed 312 weeks nor continue more than 12 years after the date of the injury.
In Vermont, if an injured employee’s doctor releases them to part-time work or light duty work while they are recovering, the employee may be entitled to temporary, partial disability compensation. If the employee returns to part-time or light duty employment, is not receiving his or her pre-injury wage, and has not reached maximum medical improvement, he or she is entitled to receive two-thirds of the difference between the gross wages from the part-time or light duty employment and the pre-injury average weekly wage.

Virginia statutes provide for Temporary Partial Disability Benefits. When the doctor states and injured employee can return to work with restrictions, the employee may be eligible to receive Temporary Partial Disability Benefits to supplement any loss of earnings due to their restricted work status. This is paid when the injured worker cannot return to regular work and is given a light duty job at a lower wage. TPD is paid at two-thirds of the difference between the worker’s wages before and after his or her injury. The period of payment awarded may be extended if the worker is still disabled within one year of final payment, but TPD is limited to 500 weeks.

In Washington, injured employees who return to a transitional position at a reduced pay level may receive Loss of Earning Power (LEP) benefit payments to help offset the difference between the original wage and the temporary wage. Washington State requires the self-insurer to compensate a worker for loss of earning power when the worker’s earning capacity has decreased because of the industrial injury or occupational disease.

West Virginia statutes provide for temporary partial workers’ compensation benefits. Normally these benefits are paid during a period of rehabilitation. However, when the individual returns to work as part of a rehabilitation plan but his or her earnings are less than his average pre-injury earnings, he or she can receive temporary partial workers’ compensation. Temporary partial workers’ compensation benefits are based on 70% of the difference between the average weekly earnings before and after the injury.

In Wisconsin, inured employees may be eligible for temporary partial disability if their partial disability causes them to earn less than they did prior to their injury. The benefit is calculated as of the injured employee’s average weekly wage at the time of their injury and the amount of wage loss. For example: If an employee’s Temporary Total Disability rate is $600 per week and he/she is offered work within the temporary physical limitations at 75% of his/her wage, he/she remains entitled to 25% of $600 per week until an end of healing or a return to the previous wage, whichever occurs first.

In Wyoming, injured workers may be eligible for temporary partial disability benefits if the employer offers the worker light duty/modified work. Temporary partial disability benefits are paid at the rate of 80% of the difference between the employee’s light duty wage and their actual monthly earnings at the time of the injury, as long as the total earnings from employment do not exceed 95% of the actual monthly earnings at the time of injury. Temporary partial disability cannot exceed the statewide average monthly wage from date of injury.
### 3.3 Employer Subsidies and Incentives

States are implementing varying approaches to financially incentivize employers who make investments in safely transitioning their employees back to work or hire individuals who were previously injured or have a disability. Major approaches include wage subsidies; reimbursement, tax credits or loans for expenses related to job accommodations and workplace modifications; grants to develop transitional work plans; and insurance premium discounts for designing and implementing an approved RTW program. In some instances, these approaches are a component of a broader set of RTW programs and resources in the states.

**Figure 3. States with Employer Subsidies and Other Incentives**

Some states offer subsidies to employers to encourage retention of injured workers through transitional work opportunities and/or support the hiring of new employees who have been injured and unable to return to their previous job. For example, as noted in Section 3.1, both **Oregon** and **Washington** operate programs in which participating employers are eligible for wage subsidies and reimbursement of other related costs. In **Oregon**, the EAIP program subsidizes up to 45% in gross wages for up to 66 days of temporary transitional work. Employers are also eligible for reimbursement of up to $5,000 for work-site modifications; $1,000 for tuition, books, fees, and courses; and up to $400 for work clothes. A second RTW program in Oregon, the
The Preferred Workers program helps workers who are not able to return to their regular employment because of permanent disabilities from on-the-job injuries return to work. Among other financial incentives, the Preferred Workers program reimburses employers for 50% of the injured workers’ wages for up to 183 days; exceptions on workers’ compensation insurance premium and premium assessments on the preferred worker for up to three years; subsequent claims filed during the premium exemption period; and up to $5,000 for worksite creation costs when an employer creates a new job.

In Washington, the SAW program for employers paying workers' compensation premiums who retain injured employees (noted in Section 3.1) repays the employer up to 50% of base wages for up to 66 days within a 24-month period or a maximum of $10,000. Employers may also be eligible for reimbursement of up to $1,000 for training, up to $2,500 for tools, and up to $400 for work clothes. Washington’s Preferred Workers Program reimburses participating employers who hire an employee with permanent medical restrictions up to 50% of base wages for up to 66 days or $10,000, within a consecutive 24-month period. Employers may also receive reimbursement of up to $1,000 for training costs, up to $2,500 for tools, $400 for work clothes, and costs of subsequent claims while the employee is a certified preferred worker. Employers may also receive a bonus of 10% of the worker’s wages up to a maximum of $10,000 at the end of 12-continuous months of employment and an exemption on insurance premiums during the certification period.

North Dakota also has a preferred worker program that offers eligible employers financial incentives and services to hire previously injured workers. Incentives and services include: up to 50% wage reimbursement for up to 26 weeks, workers’ compensation premium exemption for up to three years, claim cost exemptions if the worker sustains a new injury during the premium exemption period, reimbursement for worksite modifications, and free on-site job analysis. Employers may not apply for reimbursement for their own employees who are injured on the job, unless they are offered permanent alternate work.

Another common approach among states is to incentivize job accommodations or work-site modifications. The wage subsidy programs described above include reimbursements for accommodations and worksite modifications. Several other states that do not provide wage subsidies, Montana, Texas, and California, for example, have mechanisms to alleviate some employer costs associated with accommodations and modifications. These mechanisms include direct reimbursements, tax credits and loan funds.

In Montana, the Workplace & Equipment Modification Assistance program reimburses employers up to $2,000 for costs for workplace modifications or equipment purchases required for the employer to offer transitional employment to injured employees returning to work.

In Texas, small businesses may apply to the Return-to-Work Reimbursement program for employers for up to $5,000 in reimbursement for special equipment, furniture and other workplace alterations that enable an injured employee to return to work in a modified or alternate duty capacity. Similarly, California reimburses small employers for any modifications to
the worksite, equipment, devices, furniture, tools, or other items necessary to accommodate the work restrictions of the injured worker.

Tax credits for accommodations and modifications for any worker with a disability are available in Iowa and Kansas. Iowa has an Assistive Device Tax Credit for small businesses that purchase, rent or modify an assistive device. Eligible employers may receive a credit on their state corporate income taxes of up to 50% of the first $5,000 spent during the tax year on these items.

Kansas offers an income tax credit for taxpayers who make facilities or equipment usable for the employment of individuals with disabilities due to any causes. Taxpayers receive a credit of up to 50% of qualifying expenditures or a maximum of $10,000, not to exceed their tax liability.

Maine has an Adaptive Equipment Loan Program Fund that helps businesses purchase, construct or install products that allows an individual with a disability due to any cause to become more independent within the community; promotes mobility; or improves independence and quality of life. Businesses may borrow up to $100,000 at a prime +2% interest rate for up to a 20-year term in order to improve the accessibility of their worksite for employees.

Ohio and New York have focused their financial incentives on encouraging employers to develop and implement RTW programs at their worksites. As described in Section 3.1, Ohio operates a Transitional Work Grants program which reimburses 75% of the total cost the employer pays to a transitional work developer, certified by the state, to develop a transitional work plan for the company. The maximum rate per service allowed through the grant is $200 per hour for transitional work developer labor and $200 per job analysis. The state also offers a bonus payment of up to 10% of an employers’ insurance premium when they use an approved transitional work plan to successfully return injured employees to work.

New York offers employers a discount on their annual insurance premiums if they implement an approved RTW program through its Workplace Safety and Loss Prevention Incentive Program. Among other requirements, an acceptable RTW program includes policies and procedures for communication, accommodations for returning workers, involvement of the employee or designated employee representative, development of an individual RTW plan, referrals to vocational assessment or services, monitoring of employee progress, strategies for maintaining, promoting and evaluating the program, and designating a RTW contact.
4. STRATEGIES TO SUPPORT THE RTW TRANSITION BY STATE – MAP SOURCES

This section provides selected key source documents for mapping by state three strategies promoting the transition back to work: 1) Partial RTW; 2) partial disability benefits; and 3) employer subsidies and incentives. Unless otherwise indicated, the information below is based on current information posted on state websites.

4.1 Background

Assessing the Costs and Benefits of Return-to-Work Programs
The authors conducted a review and analysis of existing research to compare the cost and benefits of implementing an RTW program in the private sector. This report compares the cost and benefits from a variety of perspectives of retaining an employee who experiences disability onset to the costs and benefits of permanently losing the employee. The analysis suggests that a worker with a disability benefits from RTW interventions through an improved standard of living and taxpayers benefit from reduced government expenditures. However, employers in some cases may face financial loss due to up-front costs (e.g., workplace modifications) or to the cost of retaining employees at reduced productivity. The authors suggest that reducing employer costs associated with lost worker productivity, for example through employer subsidies, is vital for making RTW cost effective for all stakeholders.

Disability Employment State Statute and Legislation Scan
The report details the state statutes or bills enacted by legislatures related to encouraging private employers to hire, recruit and retain people with disabilities or help states be model employers of people with disabilities. The report summarizes laws in the following policy areas: Employment First policies that prioritize employment for people with disabilities; tax incentives for employers that hire people with disabilities, tax incentives for employers that make accessibility-related modifications; state procurement preferences or goals for contracting with businesses owned by persons with disabilities; assistance for businesses owned by persons with disabilities; accessible work transportation; hiring of individuals with disabilities in state government; alternative hiring practices; and hiring preferences for people with disabilities.

Return to Work: A Foundational Approach to Return to Function
The IAIABC is a not-for-profit association representing most of the government agencies responsible for administering workers’ compensation systems in the United States, Canada, and
other nations, as well as other workers’ compensation professionals from the private sector. Focusing on the 5-10% of workers’ compensation claims that account for 80-90% of claims costs, the paper discusses roles and responsibilities that exist among key stakeholder groups—workers, employers, caregivers, insurance companies, regulators, and attorneys—that the IAIABC Disability Management and Return to Work Committee finds integral to facilitating effective RTW.


Reflecting the work performed by the SAW/RTW Policy Collaborative project team from October 2013 through September 2016, this report provides information about promising job-retention strategies for people with disabilities – both related and un-related to workplace injuries – that are being implemented by states. The report also summarizes current proposals for demonstrations related to SAW/RTW and improving workforce attachment of people with disabilities, and presents an annotated bibliography of relevant literature on early intervention and workforce retention of people with disabilities. State strategies highlighted in the report include: Partial RTW, medical disability duration guidelines, state employee RTW programs, Employee Assistance programs, VR job retention services, the COHE model, employee retention subsidies for “at-injury” employers, hiring incentives for employers, transitional work incentives, and medical treatment guidelines.

Steps States Can Take to Help Workers Keep Their Jobs after Injury, Illness, or Disability

The report identifies promising early-intervention options for states interested in supporting employees’ RTW after injury, illness, or disability. The report presents a conceptual framework for states to use to determine how to intervene to improve RTW outcomes, examples of policies and programs, and recommended action steps. Recommendations for states include: pilot-test employment and accommodation subsidy programs in state workers compensation systems; pilot-test proactive case coordination and behavioral interventions in states with Short-Term Disability Insurance (STDI); initiate STDI in states without STDI programs; and pilot partial RTW, proactive case coordination, disability duration guidelines, behavioral interventions, or a centralized accommodation fund within disability insurance programs provided to state employees.

Supporting Work: A Proposal for Modernizing the U.S. Disability Insurance System
https://economics.mit.edu/files/11634

This paper proposes reforms for modernizing the structure of the Social Security Disability Insurance (SSDI) program to better support individuals with disabilities in the workplace,
encourage their self-sufficiency, and reduce the “dual wastes stemming from too few societal resources spent on assisting individuals with disabilities to remain employed and too many societal resources spent on supporting unnecessary long-term dependency.” The proposed reforms include adding a “front-end” component to the SSDI system that offers workplace accommodations; rehabilitation services; partial income support (partial wage replacement equal to 60% of monthly salary and capped at $2,500 monthly), and other services to workers who experience work limitations. The proposed system would also offer financial incentives to employers to accommodate workers who acquire disabilities and to minimize movements of workers from their payrolls onto the SSDI system.

Work Matters: A Framework for States on Workforce Development for People with Disabilities

The Council of State Governments (CSG), in partnership with the National Conference of State Legislatures (NCSL), convened a National Task Force on Workforce Development for People with Disabilities. This National Task Force effort, implemented under the auspices of the DOL/Office of Disability Employment Policy’s State Exchange on Employment and Disability initiative (SEED), provided the opportunity for state leaders to identify barriers to employment for people with disabilities and explore policy options to increase the workforce participation for this population in their states. SAW policies that support employee retention in the event of injury, illness or a change in status of an individual’s disability were suggested. Specific options include those that adopt SAW/RTW programs in the private and public sectors; helping businesses and individuals with disabilities navigate the complexities of benefits; and exploring opportunities to supplement existing financial incentives to target disability employment supports.

Workforce Development Efforts for People with Disabilities: Hiring, Retention and Reentry

This Council of State Governments brief highlights the recommendations from the Hiring, Retention and Reentry Subcommittee of the National Task Force on Workforce Development and Employability for People with Disabilities. The subcommittee provides four policy options for states seeking to stimulate private-sector engagement in hiring and retaining employees with disabilities: provide technical assistance to businesses interested in employing individuals with disabilities; extend diversity and inclusion policies and expand and improve self-identification practices; develop or use existing databases of persons with disabilities looking for employment; and expand and improve community linkages. The report also provides policy options for states seeking to establish the state as a model employer of individuals with disabilities.

Workplace-based Return-to-Work Interventions: A Systematic Review of the Quantitative and Qualitative Literature
This systematic review explores the effectiveness of workplace-based RTW interventions. The authors found moderate evidence that the duration of work disability is significantly reduced by offers to make accommodations for the worker’s disability and by contact between the health care provider and workplace, and there is moderate evidence that duration of work disability is reduced by interventions including early contact with worker by workplace, site visits to check the ergonomics of the work environment, and presence of a RTW coordinator.

4.2 Partial RTW

Alabama

Alabama Business Relations Program Products and Services: Employee Retention/Disability Management Webpage
Alabama Department of Rehabilitation Services

The webpage describes the Department of Rehabilitation Services’ local disability management teams made up of a business relations consultant, a rehabilitation counselor, and a rehabilitation engineer and the services they offer to businesses in the state. The goal of these teams is to return employees who have been injured (on or off the job) or whose job performance is negatively affected by a physical or mental impairment to work and or/restore his or her productivity on the job. The site provides information about eligibility requirements, lists services available and links to a downloadable brochure for employers.

Alabama RAVE (Retaining A Valued Employee): Managing Disability in the Workplace Brochure
Alabama Department of Rehabilitation Services
http://www.rehab.alabama.gov/docs/businessrelationprogram/ravebro0211forweb.pdf?sfvrsn=0

The brochure advertises the benefits of retaining workers, eligibility criteria for employees, available services to employees and contact information for the program. The brochure also includes endorsements from companies who have used the program.

California

Helping Injured Employees Return to Work: Practical Guidance Under Workers’ Compensation and Disability Rights Laws in California
Prepared by the Institute for Research on Labor and Employment, University of California at Berkeley for the California Commission on Health and Safety and Workers’ Compensation. February 2010

The handbook provides guidance for small business employers on how to establish and implement an effective RTW program. The primary focus of the handbook is on helping small employers, who typically do not have a human resources department, navigate workers’ compensation and disability rights laws. The handbook provides an overview of best practices,
steps for establishing a program and examples of comparing essential functions and usual duties of a job, offering work, and RTW in select industries.

**Georgia**

**State Board of Workers' Compensation Model Return to Work Program Manual**

*Georgia State Board of Workers’ Compensation*


Designed for employers, this manual provides guidance in establishing and running a RTW program. It explains the goals of an RTW program, describes how to establish an implementation team and develop policies and procedures, identifies key program components and suggests how to initiate and establish them, and includes resources such as a flow chart of the RTW process and job activity analysis and transitional employment plan templates. As described in the manual, key principles of transitional employment are that it is: a temporary and time-limited; tailored to meet the employee’s physical abilities; flexible; designed by a transitional employment team (comprised at minimum of the employee, supervisor and employer representative); and accompanied by a written transitional employment plan.

**Montana**

**Montana Stay at Work/Return to Work Webpage**

*Montana Department of Labor and Industry (DLI)*


The webpage describes the SAW/RTW program, including its goals, eligibility requirements, processes for requesting assistance, assistance provided by the state, workplace and equipment modification assistance, insurer responsibilities, and DLI responsibilities. In Montana, by law, if the insurer has accepted liability for a workers’ compensation claim, the insurer is responsible to provide SAW/RTW assistance to the worker through their own SAW/RTW policy or a state rehabilitation counselor. DLI also sends a postcard to workers who have filed a claim notifying them of the availability of SAW/RTW assistance.

**Montana Stay at Work/Return to Work Best Practices**

*WorkSafeMT Foundation SAW/RTW Committee*


One of the primary goals of the WorkSafeMT Foundation SAW/RTW Committee is to educate employers, employees, and others involved in handling workers’ compensation claims about options for allowing an injured employee to continue working in a meaningful capacity during the healing period. This guide outlines steps and best practices that may be used to develop an effective SAW/RTW program and identifies the stakeholder type (employees, employers, providers, insurers, and employee representatives) targeted by each practice. Key steps include: adopting a SAW/RTW model in the workplace; addressing barriers to SAW/RTW; acknowledging the contribution of motivation on outcomes; and investing in system and infrastructure improvements.
Montana Stay at Work/Return to Work Frequently Asked Questions
*WorkSafeMT Foundation SAW/RTW Committee.*

One of the primary goals of the WorkSafeMT Foundation SAW/RTW Committee is to educate employers, employees, and others involved in handling workers’ compensation claims about options for allowing, during the healing period, an injured employee to continue working in a meaningful capacity. This FAQ document provides answers to common employee, employer and health care provider questions. The purpose of a SAW/RTW program is to provide meaningful and productive transitional duty to injured workers as a bridge back to full, normal employment. Transitional duty may include modified duties, duties of different job classifications and part-time work. If the transitional work is part time, employees may qualify for Temporary Partial Disability payments, which are payable at the difference between the employees’ workers’ compensation weekly wage and earnings from their part-time work.

New York

Return to Work Program Handbook
*New York State Workers’ Compensation Board*

The handbook describes the purpose of a RTW program, best practices, steps in a RTW program, and evaluating a RTW program. Best practices cited in the handbook include: implementing proactive behaviors in the workplace, training supervisors in injury/disability prevention and RTW planning, contacting injured employees early, designating a RTW coordinator, communicating workplace demands to healthcare providers, offering transitional work to injured workers, and ensuring that RTW plans don’t disadvantage co-workers. The handbook describes transitional work as modified work, reduced hours, or a combination of tasks from other positions. It recommends that transitional work be time-limited and productive and suitable to maintain the employee's sense of worth.

North Carolina

Workers Compensation Act §97-32.1. Trial return to work
*North Carolina Industrial Commission*

Section §97-32.1 of the Workers Compensation Act allows an employee to attempt a trial return to work for up to nine months, during which the employee shall be paid any compensation owed for a partial disability. If the trial return to work is unsuccessful, the employee does not forfeit the right to receive total disability benefits.

North Dakota

North Dakota Return to Work Services Website
*North Dakota Department of Workforce Safety and Insurance, 2015.*
The webpage describes RTW services offered to employers by the Department of Workforce Safety and Insurance (WSI). Services include RTW case managers who coordinate care and restrictions for medical necessity and appropriateness; provide recommendation; act as a liaison between the worker, employer, medical provider, and claims adjuster at WSI; and coordinate transitional work. Other services include medical case management, vocational rehabilitation, and the state’s preferred worker program. The website also provides guidance to employers about transitional work, which may include modified work or alternate work, and include tasks that the employee can perform safely within their physical abilities as outlined by the medical provider.

Ohio

BWC Basics for Employers
Ohio Bureau of Worker’s Compensation (BWC)

This BWC document provides an overview of services and resources available to employers related to prevention; addressing an injury when it occurs; providing care and returning an injured worker back to work; premium, payroll, and coverage information; and controlling costs. The document also describes BWC’s Transitional Grants Program, which offers 3-to-1 matching grants to help employers contract with an accredited transitional work developers to establish a transitional work program in their workplace, and the Transitional Work Bonus program, which gives employers up to a 10% bonus to employers who use an approved transitional work plan to return injured workers back to work.

Q & A: BWC’s Transitional Work Grants
Ohio Bureau of Worker’s Compensation (BWC)

This Question and Answer document explains Transitional Work Grants; what qualifies as transitional work; employer eligibility; applying for reimbursement; hiring a transitional work job developer; return on investment to employers; benefits to employees; and program contact information. The Q&A also reports that a five-year study found that employers with Transitional Work Grants experienced a decline in medical-only and lost-time claims, average temporary total days paid per claim, and reduced workers compensation premiums.

Oregon

Oregon Employer-at-Injury Program Website
Oregon Department of Consumer and Business Services
http://wcd.oregon.gov/rtw/Pages/eaip.aspx

The webpage describes the state’s Employer-at-Injury Program, which encourages the early RTW of injured workers by helping lower an employer’s early RTW costs and claim costs. The program aims to support workers who are released for work with restrictions that prevent the worker from doing full-duty regular work. The program helps the employer develop transitional work for the employee, which is temporary work that is not the same as the worker’s previous regular full-
duty work. Transitional work can be a modification of the employee’s regular work, a reduction in job duties, or a different job. Employers may receive up to a 45% wage subsidy for up to 66 work days within a 24-month consecutive period, up to $5,000 for work-site modifications, and reimbursement for tuition, books, fees, courses up to certain limits.

Texas

Return to Work Guide for Employers Booklet
*Crawford, Pat, Texas Division of Workers’ Compensation*


The booklet, produced by the Division of Workers’ Compensation, outlines the primary elements necessary for an effective return to work process. Elements highlighted include: employer commitment to RTW and changing expectations; education of employees before injury occurs; communication after injury occurs, and developing work assignments for employees returning to work. The booklet advises employers to provide “real work,” not “light duty” assignments based on a job task analysis and consideration of potential modifications to regular work such as schedule changes, reduced hours, or sharing parts of work with other employees.

Washington

Employer’s Return-to-Work Guide: Financial incentives available from L&I
*Washington State Department of Labor Industries*

http://www.lni.wa.gov/IPUB/200-003-000.pdf

The guide outlines elements of a successful RTW strategy, options related to transitional jobs, resources for before and after an employee is injured, and specific state programs (SAW, Early RTW Teams). The guide also presents success stories and descriptions of key terms and processes.

Washington Stay at Work Program Website
*Washington State Department of Labor and Industries*

http://www.lni.wa.gov/main/stayatwork/

The webpage describes the state’s SAW program, which reimburses employers for certain qualifying costs if they provide temporary, light-duty jobs for injured workers while they recover. Eligible employers can be reimbursed for 50% of the base wages they pay to the injured worker and some of the cost of training, tools or clothing the worker needs to do the light-duty or transitional work. Eligible employers are those that pay workers compensation premiums to the Department of Labor and Industries.
4.3 Partial Disability Benefits

Alabama Basic Claim Handling Manual
State of Alabama, Department of Labor, Workers’ Compensation Division, 2017
https://labor.alabama.gov/docs/guides/wc_claimhandling.pdf
Staff of the Alabama Workers’ Compensation Division explain some of the more common problems and questions that arise in handling Alabama Workers’ Compensation claims.

Alaska Workers’ Compensation Website
Alaska Department of Labor and Workforce Development, 2017
http://labor.alaska.gov/wc/wc-and-you.htm#
This downloadable web brochure provides basic information for employees who have been injured on the job. Topics include compensation rates and benefits, and payment schedules. Temporary partial disability benefits are paid to employees who return to work less than full-time while recovering; benefit amounts are based on the difference between the spendable weekly wage before the injury and spendable weekly wage after returning to work.

Arizona Revised Statutes Website
Fifty-third Arizona State Legislature – First Regular Session, 2017
Arizona’s Revised Statutes, Title 23-1044 explains compensation for partial disability and computation of the benefit.

Arkansas Code – Unannotated via Lexis Nexis Website
Constitution of The State of Arkansas, 2017
Arkansas Code, 11-9-520, provides language for temporary partial disability benefits.

California – Part-time, Intermittent, or Reduced Work Schedule FAQs
State of California, Employment Development Department, 2017
http://www.edd.ca.gov/Disability/FAQ_DI_Part_time_Intermittent_Reduced_Work_Schedule.htm
This website provides answers to numerous questions related to disability insurance and part-time, intermittent, or reduced work schedules.

Colorado Workers’ Compensation Injured Workers Disabilities and Benefits Website
Colorado Department of Labor and Employment, 2017
https://www.colorado.gov/pacific/cdle/disability-and-benefits
This website provides information on different disability benefits including temporary total, temporary partial, permanent partial, and permanent total benefits.
State of Connecticut Workers’ Compensation Commission Information Packet
This downloadable document provides information on a variety of workers’ compensation topics and includes workers’ compensation administrative forms.

State of Delaware Website – Workers Compensation FAQs
*State of Delaware, Department of Labor, Division of Industrial Affairs*, 2017
This website provides frequently asked questions and responses to a wide range of topics related to workers’ compensation including coverage, benefits, claims, and petitions.

State of Florida Website
*State of Florida, Division of Workers’ Compensation*, 2017
This website provides information related to workers’ compensation benefits including medical benefits, benefits related to lost wages, and other monetary compensation.

Georgia State Board of Workers’ Compensation Procedure Manual
*Board of Workers’ Compensation*, 2011
This Procedure Manual is a reference tool to be used in conjunction with and as an adjunct to Title 34, Chapter 9 of the Official Code of Georgia Annotated and the Rules and Regulations of the State Board of Workers’ Compensation.

University of Hawai‘i – West O’ahu Center for Labor Education and Research Revised Statutes Website
*Revised Statutes as of July 2015*
[http://www.hawaii.edu/uhwo/clear/home/HRS386-2.html](http://www.hawaii.edu/uhwo/clear/home/HRS386-2.html)
Hawai‘i’s revised statutes, 386-32 (b) provides language for compensation for temporary partial disability benefits.

State of Idaho Industrial Commission Website – Injured Worker FAQs
*State of Idaho Industrial Commission*, 2017
[https://iic.idaho.gov/faqs/faqs_injured_worker.html](https://iic.idaho.gov/faqs/faqs_injured_worker.html)
This website provides frequently asked questions and responses to a wide range of topics related to workers’ compensation including coverage, benefits, claims, and petitions.
Handbook on Workers’ Compensation and Occupational Diseases
Illinois Workers’ Compensation Commission, 2013
http://www.iwcc.illinois.gov/handbook013013.pdf
This handbook is designed to serve as a general guide to the rights and obligations of employees who have experienced work-related injuries or diseases, as well as the rights and obligations of their employers, under the Illinois Workers’ Compensation and Occupational Diseases Acts.

Guide to Indiana Workers’ Compensation
Workers’ Compensation Board of Indiana, 2007
This handbook provides a general explanation of the current Indiana Worker’s Compensation and Occupational Diseases Acts.

State of Iowa Website – Workers’ Compensation FAQs
State of Iowa Workers’ Compensation, 2017
http://www.iowaworkcomp.gov/frequently-asked-questions
This website provides frequently asked questions and responses to a wide range of topics related to workers’ compensation including coverage, benefits, claims, and disputes.

Workers Compensation Information for Kansas Employers and Employees
Kansas Department of Labor, not dated
This publication provides information on workers’ compensation benefits, employer guidelines and other general information.

Social Security Administration Program Operations Manual System (POMS)
Kentucky Workers’ Compensation, not dated
https://secure.ssa.gov/poms.nsf/lnx/0452120100
This source is the POMS, which is the primary source of information used by Social Security employees to process claims for Social Security benefits.

Social Security Administration Program Operations Manual System (POMS)
Louisiana Workers’ Compensation, not dated
https://secure.ssa.gov/poms.nsf/lnx/0452120105
This source is the POMS, which is the primary source of information used by Social Security employees to process claims for Social Security benefits.
Maine Workers’ Compensation Entry on Program Operations Manual System Website
Social Security Administration, 2017.
https://secure.ssa.gov/apps10/poms.nsf/lnx/0452120110
This section of the SSA Program Policy Information Site contains the public version of the Program Operations Manual System (POMS). The POMS is a primary source of information used by Social Security employees to process claims for Social Security benefits. The public version of POMS is identical to the version used by Social Security employees except that it does not include internal data entry and sensitive content instructions.

Maryland Workers’ Compensation Commission Website
http://www.wcc.state.md.us/Gen_Info/WCC_Benefits.html#benefits
This webpage provides a brief, general description of the Maryland Workers’ Compensation Law and benefits.

Massachusetts Partial Incapacity Benefits Website
This webpage provides a brief, general description of who qualifies for partial incapacity benefits, what the benefits are, and duration of the benefits.

This manual provides instructions on how to use Illinois’ Workers’ Compensation Calculation System. This system is used to calculate/validate workers’ compensation payments. It enables the user to determine the correct weekly rate of compensation which is payable on general disability claims as well as provide the 80% rate used to determine partial payments.

Minnesota Workers’ Compensation Disability Benefits Website
This website provides information on temporary partial disability benefits, statutory language, and calculation of the rate.

Mississippi Workers’ Compensation Facts
Mississippi Worker's Compensation Commission, 2013.
This webpage provides a brief, general description of benefits, who qualifies, what the benefits are, and the duration of the benefits.
Missouri Workers’ Compensation Law
*Missouri Revised Statutes*, 2016.
Missouri’s revised statute, 287-180 provides language for temporary partial disability benefits.

Montana Temporary Partial Disability Benefits
Montana’s code, section 39-71-712 provides language about temporary partial disability benefits.

Nebraska Legislature Website
*Nebraska Revised Statute 48-121*
Nebraska’s revised statute 48-121 provides language about partial disability compensation.

Nevada Legislature Website
*Nevada Revised Statute, Chapter 616*
[https://www.leg.state.nv.us/NRs/NRS-616C.html](https://www.leg.state.nv.us/NRs/NRS-616C.html)
Nevada’s revised statute, Chapter 616 provides language about temporary partial disability compensation.

Nevada Revised Statutes 616C.500 Temporary partial disability: Compensation.
*Nevada Legislature*
[https://www.leg.state.nv.us/NRs/NRS-616C.html#NRS616CSec500](https://www.leg.state.nv.us/NRs/NRS-616C.html#NRS616CSec500)
Chapter 616 C. 500 of Nevada’s revised statute entitles employees who are injured by accident arising out of and during employment, to receive for a temporary partial disability the difference between the wage earned after the injury and the compensation which the injured person would be entitled to receive if temporarily totally disabled when the wage is less than the compensation, but for a period not to exceed 24 months during the period of disability.

New Hampshire Temporary Partial Disability Benefits Website
This webpage provides excerpts of New Hampshire’s annotate revised statutes pertinent to Temporary Partial Disability Benefits.
New Jersey Workers Compensation Benefits Website  
[http://lwd.dol.state.nj.us/labor/wc/workers/benefits/benefit_index.html](http://lwd.dol.state.nj.us/labor/wc/workers/benefits/benefit_index.html)

This webpage provides information on workers’ compensation benefits including medical benefits, temporary total disability benefits, permanent partial benefits, permanent total benefits, and death benefits.

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A Workbook for Injured Workers in New Mexico  
*New Mexico Workers’ Compensation Commission*, 2012.  

This workbook is a guide to workers’ rights and responsibilities under the New Mexico workers’ compensation law. It includes workbook pages to help workers with their claims.

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An Employee’s Guide to Workers’ Compensation in New York State  
*New York State Workers’ Compensation Board*, 2014.  
[http://www.wcb.ny.gov/content/main/Workers/InjuredOnTheJob.pdf](http://www.wcb.ny.gov/content/main/Workers/InjuredOnTheJob.pdf)

This pamphlet provides a general, simplified presentation of workers’ compensation provisions and procedures.

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Information About the North Carolina Workers’ Compensation Act – Bulletin  

This bulletin provides general information about North Carolina’s Workers’ Compensation.

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North Dakota Workers’ Compensation Presentation  
*Representative George Keiser, Bismarck*, 2015.  

This 56-page slide presentation provides an overview of North Dakota’s Workers’ Compensation program, detailing the benefits structure, and the benefits provided for the different types and duration of disabilities.

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Ohio Wage Loss Compensation Fact Sheet  
*Ohio Bureau of Workers’ Compensation*, 2016.  

This fact sheet provides an overview of Ohio’s Wage Loss Compensation program. It includes information about applying for and receiving wage loss and computing wage lost. It also provides information on medical reports and job search.
2014 Report on the Oregon Workers’ Compensation System
Oregon Department of Consumer and Business Services, 2015.
This report describes Oregon’s workers’ compensation system and documents the effects of the Legislature’s more recent legislative changes.

Oklahoma Guide for Injured Workers
This is a guide to Oklahoma workers' compensation law and rules. It is based on laws and rules in effect in 2015. Laws and rules can change by acts of the Legislature, rulemaking by the Oklahoma Workers' Compensation Commission, or by decisions of the higher courts of Oklahoma. This guide provides basic information.

Pennsylvania About Workers’ Compensation Website
http://www.dli.pa.gov/Businesses/Compensation/WC/Pages/About-Workers'-Compensation.aspx#total
This website is a general guide for injured workers on the Pennsylvania Workers' Compensation Act for work injuries and illnesses occurring on or after June 24, 1996.

Rhode Island Temporary Disability Insurance Partial Return to Work Program Brochure
Rhode Island Department of Labor and Training, 2010
http://www.dlt.ri.gov/tdi/pdf/tdiPartialRTW.pdf
The brochure describes the Partial Return-to-Work program that allows workers who are able to return to work at reduced hours, as determined by a Qualified Healthcare Provider, to collect a partial Temporary Disability Insurance (TDI) payment. Workers are eligible to collect a partial TDI payment if their earnings when returning to work are less than their benefit rate. The partial benefits are designed to provide short-term support for workers’ transition back to their customary work schedule. The standard benefit period is 8 weeks.

South Carolina Temporary Disability Income Website
South Carolina State Accident Fund, 2017.
This website provides questions and answers related to temporary disability income.

South Dakota Summary of Workers’ Compensation Law Brochure
Division of Labor and Management, South Dakota Department of Labor and Regulation
The brochure summarizes workers’ compensation law in South Dakota. It defines workers’ compensation, identifies exempt employees, details medical, disability, and death benefits –
including temporary total disability, temporary partial disability, permanent partial disability, and permanent total disability.

Tennessee Temporary Disability Benefits Webpage  
*Tennessee Department of Labor & Workforce Development*  
This webpage explains temporary disability benefits in the state of Tennessee, outlining the differences between temporary and total disability benefits. The site further provides instructions and links regarding benefits payment, and the process for halting temporary disability benefits.

Texas Temporary Income Benefits (TIBS) Webpage  
*Texas Department of Insurance*  
http://www.tdi.texas.gov/wc/employee/tempben.html  
The webpage explains temporary income benefits in the state of Texas. It lays out benefit amounts, and details when benefits begin and end.

Utah Code 34A-2-411 Temporary partial disability – Amount of payments  
*Utah Legislature*  
https://le.utah.gov/xcode/Title34A/Chapter2/C34A-2-S411_1800010118000101.pdf  
Section 34A-2-411 codifies the amount of temporary partial disability benefits to be paid to employees, spouses, and dependents. It allows for an award for temporary partial disability at any time prior to 12 years after the date of injury, if the injury has not healed.

Vermont Workers’ Compensation Benefits Webpage  
*Vermont Department of Labor*  
The webpage outlines workers’ compensation benefits for employees, provides explanations of medical benefits and temporary disability, explains the conditions and process for obtaining benefits, and answers FAQs.

Virginia Injured Worker’s Benefits Guide  
*State of Virginia*  
This 2-page benefits guide describes the types of medical benefits available to injured workers, defines temporary disability, permanent disability, and death benefits. The guide discusses the process of filing a claim and the documentation to be included. The online document also provides links to relevant statutory codes.
Washington State Department of Labor & Industries
This employer guide explains loss of earning power (LEP) benefits, valid light duty, and it details how to calculate LEP, and how to determine health care contributions.

West Virginia Workers’ Compensation Benefits Webinar Presentation
West Virginia Offices of the Insurance Commissioner
The 68-page presentation details compensability, temporary total disability, permanent partial disability. The presentation also discusses non-awarded partial (NAP) disability benefits, permanent total disability, dependent benefits, rehabilitation benefits, and medical benefits.

Wisconsin Temporary Partial Disability Webpage
State of Wisconsin Department of Workforce Development
https://dwd.wisconsin.gov/wc/insurance/training/tpd/tpd_computing.htm
The webpage provides the formula for calculating an employee’s temporary partial disability rate and provides a link to a worksheet for computing the amount of TPD due for any given week.

Wyoming Workers’ Compensation Claims Webpage
Wyoming Department of Workforce Services
http://www.wyomingworkforce.org/workers/workerscomp/claims/#07
The comprehensive web page provides information and instructions to employees filing workers’ compensation claims. It details eligibility requirements and describes the process and requirements for medical and rehabilitation benefits, and filing claims for temporary total disability, return to work, permanent partial impairment, permanent partial and permanent total disability, and death benefits.

4.4 Employer Subsidies and Incentives

Iowa

Iowa Code Section 422.33 Corporate tax imposed-credit
Iowa Legislature
Section 422.33.9a permits small businesses that purchase, rent, or modifying an assistive devise or making workplace modification to receive an assistive device tax credit applied towards their corporate income taxes of up to 50% of the first $5,000 spent on assistive devices or modifications.
Kansas

Kansas Disabled Access Credit Webpage

Kansas Department of Revenue.


The webpage provides an overview of the state’s Disabled Access Credit including information about eligibility, qualified expenditures, credit amount, and procedures to claim the credit. The disabled access credit is available to individual and business taxpayers who make their property accessible to the disabled. Businesses may receive a credit of 50% of the actual expenditures or $10,000 whichever is less, not to exceed the taxpayer’s liability. Qualified expenditures are those incurred to modify or adjust an existing facility or piece of equipment for the purpose of employing individuals with a disability.

Maine

mPower Loans (Kim Wallace Adaptive Equipment Loan Program) Webpage

Finance Authority of Maine (FAME).


The webpage describes the mPower Loan program for individuals and businesses for the purchase, construction or installation of any product or equipment that improves independence, mobility, or quality of life of people with disabilities. Funded by the Kim Wallace Adaptive Equipment Loan Program, and administered by FAME, the program offers low-interest loans to Maine-based businesses of up to $100,000.

Montana

Montana Stay at Work/Return to Work Webpage.

Montana Department of Labor and Industry (DLI)

http://erd.dli.mt.gov/work-comp-claims/claims-assistance/saw-rtw

The webpage describes the Stay at Work/Return to Work program, including its goals, eligibility, processes for requesting assistance, assistance provided by the state, workplace and equipment modification assistance, insurer responsibilities, and DLI responsibilities. DLI provides assistance of up to $2,000 for an employer to modifying the workplace or purchasing equipment required for the employer to provide transitional employment.

New York

New York Workers’ Compensation Law Section 134, Part 60 Workplace Safety and Loss Prevention Incentive Program

State of New York Department of Labor, (2009)

https://www.labor.state.ny.us/formsdocs/wp/CR60.pdf.

Code Rule 60 specified the procedures for an employer to receive the Department of Labor’s approval of a WSLPIP, minimum requirements for an acceptable Safety Incentive Program, Drug and Alcohol Prevention Program and Return to Work Program, and the basic educational and/or
professional work experience required of an individual to be certified as a Specialist. Among other requirements, an acceptable RTW program includes policies and procedures for communication, accommodations for returning workers, involvement of the employee or designated employee representative, development of an individual RTW plan, referrals to vocational assessment or services, and monitoring of employee progress. A plan must also include strategies for maintaining and promoting the program, an evaluation component, and a designated RTW contact.

New York Workplace Safety and Loss Prevention Incentive Program (WSLPIP) Fact Sheet.
New York Workplace Safety and Loss Prevention Unit
https://www.labor.state.ny.us/formsdocs/wp/p890.pdf
The Fact Sheet provides an overview of the WSLPIP including benefits to employers, eligibility, how to apply, and procedures for approval. The program allows eligible employers (self-insured employers or employers with an experience rating of less than 1.30 and an annual workers' compensation premium of at least $5,000) to receive a discount on their workers’ compensation premiums if they implement one of three programs: a safety program, a drug and alcohol prevention program, or a RTW program. Once implemented, employers must have the program evaluated by a certified specialist and then may submit an application for the discount. Insured employers may receive a premium credit of 4% in the first year of implementation, and 2% in the second and third years. Employers may apply to renew the credit every three years. Self-insured employers receive a discount on their security deposit.

North Dakota
North Dakota Preferred Worker Program Webpage
North Dakota Department of Workforce Safety and Insurance (2015).
https://www.workforcesafety.com/employers/return-to-work/preferred-worker-program
The webpage describes benefits available to participating employers, eligibility criteria, and processes for participating. The goal of the Preferred Worker program is to encourage re-employment of injured workers by offering eligible employers financial incentives. Incentives and services include: premium exemption on the hired workers’ for up to three years, up to 50% wage reimbursement for up to 26 weeks, claim cost exemptions if the hired worker sustains a new injury during the premium exemption period, reimbursement for worksite modifications, and free on-site job analysis. Premium exceptions, wage reimbursement, and claim costs exemptions are not available to employers who are the employer at injury and provide alternative work for the injured worker.

Ohio
BWC Basics for Employers
Ohio Bureau of Worker’s Compensation (BWC)
This BWC document provides an overview of services and resources available to employers related to prevention; addressing an injury when it occurs; providing care and returning an
injured worker back to work; premium, payroll, and coverage information; and controlling costs. The document also describes BWC’s Transitional Grants Program, which offers 3-to-1 matching grants to help employers contract with an accredited transitional work developers to establish a transitional work program in their workplace, and the Transitional Work Bonus program, which gives employers up to a 10% bonus to employers who use an approved transitional work plan to return injured workers back to work.

Q & A: BWC’s Transitional Work Grants.
Ohio Bureau of Worker’s Compensation (BWC)
See previous Ohio entry.

Oregon

Oregon Employer-at-Injury Program Website
Oregon Department of Consumer and Business Services
http://wcd.oregon.gov/rtw/Pages/eaip.aspx
See previous Oregon entry.

Oregon Preferred Worker Program Webpage
Oregon Department of Consumer and Business Services.
http://wcd.oregon.gov/rtw/Pages/pwp.aspx
The program is designed to encourage employers to hire qualified workers who have permanent disabilities from on-the-job injuries and are not able to return to their regular employment because of those injuries. The program provides employers with premium exemptions up to three years, claim cost reimbursement during the premium exemption period, a wage subsidy of up to 50% or wages for up to 183 days, and reimbursement for certain qualifying costs such as tuition, tools, equipment, and worksite modifications.

Texas

Texas Return to Work Reimbursement Program for Employers.
Texas Department of Insurance (TDI)
The TDI document briefly describes the program, eligibility, and contact information for applying for assistance. The program is available to eligible small employers (those with 2-50 employees and workers’ compensation insurance in Texas) and provides reimbursement up to $5,000 for special equipment, furniture and other workplace alterations that enable an injured employee to return to work.
Washington

Washington Preferred Worker Program
Washington State Department of Labor and Industries
http://www.Lni.wa.gov/ClaimsIns/Voc/BackToWork/PrefWkr/Guides/default.asp

The webpage provides an overview of the Preferred Worker Program, including eligibility requirements, directions for applying for incentives, FAQs, and resources for employers and employees. Employers in Washington may receive financial incentives through the program if they hire an employee who has been certified by the Department of Labor and Industries as having permanent medical restrictions for a medically-approved long-term job. Incentives may include: reimbursement for 50% of base wages up to 66 days within a 24-month period or a maximum of $10,000; a bonus payment at the end of 12-continuous months of employment of up to 10% of the preferred worker’s wages or a maximum $10,000; reimbursement of up to $1,000 for training costs, up to $2,500 for the cost of tools, and up to $400 for clothing costs; financial protection against subsequent claims; and premium relief. Employers who hire a preferred worker hired after January 1, 2016 are not eligible for reimbursement of wages, training, tools or clothing costs or the continuous employment incentive. Injured workers may be certified for up to 36 continuous months or for up to five years.

Washington Stay at Work Program Website
Washington State Department of Labor and Industries

See previous Washington entry.