

# ALABAMA WORKERS' COMPENSATION QUICK REFERENCE GUIDE



## REQUIREMENTS FOR COMPENSABILITY

- Employer must be covered by Alabama workers' compensation laws.
- Medical Causation: Injury must result from *an accident arising from the employment*. An accident is defined as an unexpected or unforeseen event happening suddenly and violently.
- Legal Causation: Accident must occur *within the course and scope of employment*; i.e. while engaged in or about the premises where services are being performed, and during the hours of service.

## TYPES OF BENEFITS

- **Medical** treatment for a compensable injury by accident or occupational disease continues *for life* as long as the treatment is reasonable, necessary and related to the original work injury.
- **Temporary Total Disability (TTD)** benefits equal to 66-2/3% of the AWW are paid when the authorized treating physician determines the injury prevents performance of any work. Weekly TTD compensation continues until the maximum medical improvement or return to work earning at least the same wage amount as the pre-injury wage.
- **Temporary Partial Disability (TPD)** benefits are paid if the Employee has returned to work with restrictions and earning less than the pre-injury wage. TPD payments are 66-2/3% of the difference between the average weekly wage and weekly wages earned while partially disabled, not to exceed 300 weeks.
- **Permanent Partial Disability (PPD)** benefits are paid when the work-related injury results in an impairment rating (as determined by treating physician or by functional capacity evaluation). PPD benefits are paid for the statutory number of weeks for the injured member, up to a maximum of 300 weeks (minus TTD weeks paid). The statutory cap for PPD benefits is \$220 per week.
- **Permanent Total Disability (PTD)** benefits are paid in cases of 100% occupationally disability - inability to return to former job and any reasonable employment based on skills, education and age. PTD benefits are paid until death or return to work. The Employer may request that the Employee provide an affidavit to affirm whether the Employee is employed elsewhere. Benefits may be suspended until Employee provides the affidavit.
- **Vocational** benefits are available for Employees who are permanently disabled from the pre-injury job and elect to undergo vocational rehabilitation in order to be trained for other suitable employment.
- **Death** benefits are paid to dependents of a deceased Employee if death was work related and occurred within 3 years of the work injury. Dependents may recover up to \$3,000 for burial expenses and additional compensation benefits up to 500 weeks.

## AVERAGE WEEKLY WAGE

- Average weekly wage is based on Employee's **52-week wage history** for the period preceding the date of injury.
- If wage history is fewer than 52 weeks, divide the total gross wages by the number of weeks worked.
- In cases where the Employee has little or no wage history (usually 4 or fewer weeks), use wages from a **similarly situated** employee.

## COMPENSATION BENEFITS

- The compensation rate is **66-2/3% of the AWW**, subject to statutory minimum and maximum amounts.
- Compensation begins on the **4th day** after disability.
- If disability continues for 21 days, compensation for the first 3 days after the injury must be included with payment to the Employee after the 21st day. Payment for the first 3 missed days may be included with the first payment when it's obvious that disability will last at least 21 days.
- If the AWW is less than the statutory minimum compensation rate, then the Employee's compensation rate is equal to 100% of the AWW.
- If the first compensation installment is not paid within 30 days after knowledge of a claim for compensation, the Employer must file a report within 10 days of the expiration of the 30-day period stating the reason for non-payment.
- If any compensation installment is not paid within 30 days after it becomes due, a **15% penalty** must be added to the unpaid amount.

## MEDICAL BENEFITS

- Employee is entitled to **lifetime medicals benefits** as long as treatment is reasonable, necessary and related to original work injury. Employer may challenge the medical necessity of treatment through utilization review.
- There is no Statute of Limitations for medical benefits.
- Payment of undisputed medical charges is due within 25 days, otherwise a **10% penalty** may apply.
- Following injury, the Employer chooses the first physician. If the Employee is dissatisfied with the first physician and if additional treatment is necessary, the Employee is entitled to choose another physician from a panel of 4 physicians.
- Employer may move to have Claimant's compensation suspended if the Employee fails to comply with medical treatment or physical rehabilitation.

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## NOTICE OF INJURY AND STATUTE OF LIMITATIONS

- An Employee must give written notice of an injury within 90 days of its occurrence.
- A claim for benefits must be brought within 2 years of date of injury or 2 years of date of last payment of benefits (excluding medical benefits).
- A claim for benefits regarding an occupational disease must be brought within 2 years of date of last exposure.
- There is no statute of limitations for medical benefits.

## REPORTING REQUIREMENTS

- Employee must report the injury (verbally) within 5 days of the accident.
- Employee must give written notice of injury within 90 days of occurrence. If accident is not reported in writing within 90 days of the injury, *Employee may forfeit benefits.*
- Employer must file a WC-1, FIRST REPORT OF INJURY, within 15 days of injury.
- WC-3, SUPPLEMENTARY REPORT, must be filed within 10 days of the first compensation payment.
- WC-4, CLAIM SUMMARY FORM, showing the type and amount of compensation must be filed within 10 days of terminating compensation and within 10 days after claim settlement (other than a settlement approved by Court or an Ombudsman).

## CLAIM ADJUDICATION

- A claim for WC benefits may be brought in the Circuit Court by filing a VERIFIED COMPLAINT. Venue must either be in county where injury occurred or where the Employee resides if the Employer does business there.
- Once a Complaint is filed, the Employer has 30 days to file an Answer. If an amendment to the Complaint is filed, the Employer has 10 days to file an Answer.

## POSSIBLE EXCEPTIONS TO CLAIM COMPENSABILITY

- Willful misconduct or intention to cause injury/death to self or another
- Intoxication from alcohol or illegal drugs
- Willful refusal to use safety equipment provided by the employer
- Willful breach of Employer's rules/regulations, or willful refusal to perform duty

## BENEFIT PERIOD LIMITATIONS

- Death – 500 weeks
- Permanent Total Disability – Unlimited
- Permanent Partial Disability of body as a whole – 300 weeks
- Temporary Total Disability – Unlimited
- Temporary Partial Disability – 300 weeks

## COMPENSATION BENEFIT AMOUNTS BY YEAR

Effective Date	State AWW	Maximum Comp Rate	Minimum Comp Rate
July 1, 2007	\$682.09	\$682.00	\$188.00
July 1, 2008	\$705.68	\$706.00	\$194.00
July 1, 2009	\$729.04	\$729.00	\$200.00
July 1, 2010	\$740.14	\$740.00	\$204.00
July 1, 2011	\$755.46	\$755.00	\$208.00
July 1, 2012	\$770.80	\$771.00	\$212.00
July 1, 2013	\$787.59	\$788.00	\$217.00
July 1, 2014	\$794.27	\$794.00	\$218.00
July 1, 2015	\$812.96	\$813.00	\$224.00
July 1, 2016	\$831.88	\$832.00	\$229.00

## PERMANENT PARTIAL DISABILITY

### NUMBER OF BENEFIT WEEKS FOR SCHEDULED MEMBERS

Member	Max # Weeks	Member	Max # Weeks	Member	Max # Weeks
Arm	222	4 <sup>th</sup> Finger	16	Two Arms	400
Leg	200	Great Toe	31	Two Legs	400
Hand	170	Other Toes	11	Two Hands	400
Foot	139	Eye	124	Two Feet	400
Thumb	62	Eye + Leg	350	Two Hands	400
1 <sup>st</sup> Finger	43	Eye + Arm	350	Hand + Foot	400
2 <sup>nd</sup> Finger	31	Eye + Hand	325	Hearing Loss	53
3 <sup>rd</sup> Finger	22	Eye + Foot	300	Both Ears	163

Do not rely on this as a complete guide to the Alabama Workers' Compensation Act. To make this information as succinct as possible, we have given only the most general rules and have not attempted to discuss exceptions. There are exceptions to almost every rule. Please contact us for further information.

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