

Workers' Compensation

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1.0 POLICY

The Town of Carolina Beach provides Workers' Compensation benefits to its employees as prescribed under the North Carolina Workers' Compensation Act.

2.0 PURPOSE

The Town is committed to maintaining a safe working environment for its employees but recognizes that on occasion employees may be injured in the course of their employment. If this happens, the Town protects the financial security of the employee during recovery from the injury through the provision of Workers' Compensation disability benefits. The Town complies with the North Carolina Workers' Compensation Act.

3.0 SCOPE

This policy covers all employees. Contracted temporary workers and volunteers are not eligible for Town provided Workers' Compensation.

4.0 DEFINITIONS

- 4.1 **Benefit-Eligible** - Full time and part-time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage. See **Policy on Position Types**.
- 4.2 **Full Time** - Budgeted position where an employee works on a continuous, year round basis, in a set role with a regularly recurring work schedule, normally averaging 40 hours per week and is benefit-eligible. Some employees may work other schedules. See **Policy on Position Types**.
- 4.3 **Part-Time** - Budgeted position where an employee works on a continuous, year round basis, in a set role, with a regularly recurring work schedule of between 20 and 29 hours per week and is benefit-eligible. See **Policy on Position Types**.
- 4.4 **Other (not Benefit-Eligible) Employee** - An employee assigned to a position designated roster, seasonal temporary or special project who is eligible for salary and mandated benefits only. See **Policy on Position Types**.
- 4.5 **Approved Medical Provider (AMP)** - A licensed health care provider authorized by the Town who can diagnose and/or treat Town employees.
- 4.6 **Temporary Total Disability (TTD)** - The temporary inability of an employee to return to his regular duties as a result of a job related injury or illness; full recovery is expected.
- 4.7 **First Aid** - Usually a onetime minor treatment of an injury in order to ease pain and to prevent deterioration of the person's condition including observation, counseling or diagnostic procedures.
- 4.8 **Medical Authorization Form** - A Town form that will initiate the process to authorize a medical facility to treat a Town of Carolina Beach employee.
- 4.9 **Return to Work Form (RTW)** - A Town form that will outline job restrictions completed by an Authorized Medical Provider (AMP).
- 4.10 **Medical Treatment** - Management and care of a patient to remedy injuries or illnesses that goes beyond First Aid procedures.

- 4.11 **North Carolina Industrial Commission (NCIC)** - An agency of the North Carolina Commerce Department which writes and regulates the statutes of the North Carolina Workers' Compensation Act.
- 4.12 **NCIC Form 19** - North Carolina Industrial Commission form that documents an injury or illness as a result of a job-related exposure.
- 4.13 **NCIC Form 28** - North Carolina Industrial Commission form that documents the first lost workday and the day of return to work of an incapacitated employee.
- 4.14 **Employee Injury Report Form** - Town form that employee completes to report an injury. See **Supervisor's Report of Employee Accident/Incident**.
- 4.15 **Average Weekly Wage** - For the purpose of this policy, the average weekly wage is usually computed by averaging all wages earned by the employee in the employment in which he was injured (including overtime, paid holidays), during the 52 weeks prior to the injury.
- 4.16 **Reportable Job-Related Injury** - Any injury other than one requiring first-aid that is, or is likely, to require an Approved Medical Provider's (AMP) visit, medical treatment, lost work time, or modified duty due to accident or exposure.
- 4.17 **Workers' Compensation Administrator/ Third Party Administrator (TPA)** - An agency responsible to administer the Town of Carolina Beach's Workers' Compensation process and to pay medical expenses, and other benefits as outlined by the North Carolina Industrial Commission. The North Carolina League of Municipalities is an example of one such Workers' Compensation Administrator.
- 4.18 **Workers' Compensation Specialist** - Town employee who oversees the Town's Workers' Compensation program. For the purpose of this policy the Workers' Compensation Specialist is the Director of Human Resources.

5.0 ORGANIZATIONAL RULES

- 5.1 Job Related Injuries
 - A. An employee must report a job-related injury to the supervisor immediately or as soon as practical, regardless of the severity. This includes minor sprains and strains.
 - B. The supervisor is responsible for arranging immediate medical treatment, investigating the incident, and completing a **Supervisor's Report of Employee Accident/Incident** and forwarding all pertinent documentation to the Workers' Compensation Specialist in Human Resources.
 - C. The supervisor must maintain regular contact with the employee until the employee returns to work or until it is determined that the employee will not return to his regular assignment.
 - D. Workers' Compensation claims must be authorized by the Town's Workers' Compensation Administrator in order for the claim to be paid under Worker's Compensation.
 - E. When treatment does not start with Medical Treatment, the Town's Workers' Compensation Specialist must be contacted for authorization as soon as practical but no later than the next business day.
- 5.2 Authorized Physicians
 - A. Under the North Carolina Industrial Commission's (NCIC) regulations, it is the responsibility of the employer to select the treating physician. The Town will select all general practitioners, specialists, therapists, rehabilitation personnel, or any other medical professionals for any employee eligible to receive any Workers' Compensation benefits.
 - B. An employee may choose to use a non-AMP but could lose Workers' Compensation benefits in accordance with the NCIC provisions. The employee would have to use his group health insurance to pay medical fees for the use of a non-approved physician.

- 5.3 Job Related Illnesses/ Diseases - For job-related illnesses and diseases, notification, authorization, treatment, follow-up, and reporting will follow the same protocol as job related injuries.
- 5.4 Disability Absence
 - A. An employee who does not report to work, due to a job-related injury, must be diagnosed as disabled by an Approved Medical Provider (AMP) in order to receive Workers' Compensation benefits. If an employee feels he cannot report to work due to a job-related injury, he must contact his supervisor before the start of the work shift.
 - B. When seeing an AMP, the employee must communicate with his supervisor or Workers' Compensation Specialist and advise them of his status immediately. An AMP's note indicating disability may provide adequate documentation, but if the employee is physically able, he is responsible to contact his supervisor or department designee by phone or in person.
 - C. If an employee is absent from work due to a job-related injury, he must provide documentation in the form of an AMP's note. This documentation should contain specific information concerning the employee's limitations and an estimate of when the employee may return to work, either to modified or regular duty
 - D. Any Workers' Compensation absence will run concurrently with Family and Medical Leave (FMLA). See **Policy on Family and Medical Leave**.
 - E. A benefit-eligible employee may use vacation time, compensatory time or sick leave while in a Workers' Compensation Disability status to supplement the remaining one-third of salary, except that at no time may an employee exceed his regular salary by using this provision.
 - F. A benefit-eligible employee may choose to take vacation leave, in lieu of modified duty, as allowed by the North Carolina Workers' Compensation Act.
- 5.5 Workers' Compensation Payments
 - A. The Workers' Compensation Act requires a disability of seven calendar days before Workers' Compensation benefits begin.
 - B. Disability compensation will be paid directly to the employee. It will be the employee's responsibility to communicate with the supervisor/department to make arrangements for receiving the Workers' Compensation benefit payments.
 - C. Employees may receive overpayments due to overlaps in the Town payroll system. For example an employee could receive both a regular paycheck and worker's compensation Temporary Total Disability check creating an overpayment. The employee is responsible for bringing the overpayment to the Town's attention and making arrangements with the Town to reimburse the funds. The Town will deduct overpayments from either pay checks or workers' compensation benefits unless other arrangements are made.
 - D. Under normal circumstances due to the overlap in the Town payroll system (bi-weekly) and the disability payment (weekly) double payments may occur. If the employee's salary has been continued during the period of disability, the Town will deduct the Workers' Compensation overpayment from the employee's future payroll checks until the overpayment is recovered.
 - E. If the employee terminates employment before all overpayments are recovered, Workers' Compensation checks will be returned to the Workers' Compensation Administrator until reconciled. The former employee is still responsible for reimbursing the Town for all funds overpaid, including salary inadvertently paid.
- 5.6 Return-to-Work
 - A. When an employee has been released to return to work by the AMP, he must contact Human Resources and provide the AMP's statement to them.

- B. Before the employee is allowed to return to full or modified duty, the Department Head, in coordination with the Human Resource Director must give final authorization to return to work, regardless of the treating AMP's release.
 - C. Departments will hold supervisors accountable for allowing employees to return to work without proper authorization and for not complying with restrictions imposed by the AMP.
- 5.7 Third Party Subrogation
 - A. When a third party causes injury to a Town employee while he is on duty, the Town expects to recover all expenses. Once the employee reaches a settlement with the third party, the employee must reimburse the Town for all costs associated with the injury, subsequent recovery, and salary paid to include medical expenditures, Workers' Compensation benefits, salary supplement and any equipment damages.
 - B. Employees involved in third-party subrogation will be sent a "Subrogation Agreement" by the Workers' Compensation Administrator. Employees are not required to sign the Subrogation Agreement. Employees involved with third party claims who do not wish to sign the Subrogation Agreement will be placed in a Leave Without Pay (LWOP) status. See **Policy on Leave Without Pay**. The employee will remain eligible for Workers' Compensation disability benefits in accordance with the Workers' Compensation Act and Town policy.
 - C. The Workers' Compensation Administrator will administer the subrogation agreement.
- 5.8 Temporary Modified Duty
 - A. When the AMP allows an employee to return to work under specific restrictions, it is the responsibility of the injured employee's department to provide a description of modified jobs which must be approved by the AMP. Once the AMP approves the modified duty, the department and employee must comply with the restrictions.
 - B. It is preferable that an employee retain his normal work hours within the respective department, however, the department in consultation with the Workers' Compensation Specialist has the discretion to temporarily place an employee at a different location, department, and job function or change the work schedule in order to comply with the AMP's work modifications. The department may offer work to an employee at reduced hours to help transition the injured employee back into full duty.
 - C. The employee's AMP and Human Resources must approve any suggested work activities. The department must be notified of the approval of these suggested work activities.
 - D. Modified duties and placements are temporary unless the department, the Human Resources Department, AMP, the Town Manager and the employee agree in writing that the assignment is the employee's new job. In all such placements, the Human Resources Department must receive prior notice of the need for permanent modified duties and placements.
- 5.9 Denied Claims
 - A. Workers' Compensation claims may not be accepted if they do not meet the requirements of the North Carolina Workers' Compensation Act. Claims may initially be denied if the accident or injury is not reported in writing to the supervisor, at the time of the injury or as soon as practical. See **Appendix for Supervisor's Report of Employee Accident/Incident**. Failure to file this report will result in corrective action.
 - B. Denied claims may be covered by the employee's personal medical plan.
 - C. If an employee's claim is denied, he has the right to appeal to the North Carolina Industrial Commission.

- D. Claims paid in error, or leave mistakenly charged to Workers' Compensation, will be collected by the Town from the employee's future earnings and leave benefits.
- 5.10 Other (not benefit-eligible) Employees are entitled to Workers' Compensation benefits. These employees will have no Town earnings while absent due to a work-related injury.
- 5.11 Benefit-eligible employees who are out of work due to a job related injury for more than one month will not earn retirement service credits or other benefits during the absence but may be able to purchase lost retirement service upon return to work. See **Policy on Leave without Pay**.

6.0 PROCEDURES

- 6.1. Job Related Injuries
 - A. If an employee is injured on the job, he must report the injury to the supervisor in writing using the **Supervisor's Report of Employee Accident/Incident Form** immediately or as soon as practical, regardless of the severity. This includes minor sprains and strains.
 - B. The supervisor will arrange immediate medical treatment following established procedures.
 - C. As soon as feasible, not to endanger the employee, the supervisor must notify the Town's Workers Compensation Specialist. The Workers' Compensation Specialist will authorize Medical care.
 1. Workers' Compensation claims must be authorized by the Town's Workers' Compensation Administrator in order for the claim to be paid under worker's compensation.
 2. When treatment does not start with the AMP, the Town's Workers' Compensation Specialist or the Town's Workers' Compensation Administrator must be contacted for authorization as soon as practical.

The supervisor will record all injuries, other than first-aid injuries, on a **Supervisor's Report of Employee Accident/Incident** and an **NCIC Form 19** specifying in detail the full account of how the injury was sustained.

- 6.2 Disability Absence
 - A. An employee who is temporarily disabled due to a job-related injury or illness must notify his supervisor of his condition before the work shift with as much advanced notice as possible. He must inform the supervisor of:
 1. The reason (s) for not reporting to work
 2. The AMP who he has seen or is going to see, and
 3. When he expects to return to work.
 - B. When an employee reports that he will be absent from work one full day or more the department will:
 1. Complete a **NCIC Form 28** and forward to the Town Workers' Compensation Specialist and the Workers' Compensation Administrator.
 2. Obtain a current **Leave Request Form** from the employee if eligible for Workers' Compensation. The Leave Request Form should be coded for Workers' Compensation. If the absence is later determined to be other than Workers' Compensation, the employee will submit corrected Leave Request Form.
 3. Begin the process to establish Family Medical Leave (FMLA) eligibility. See **Policy on Family and Medical Leave**.
 - C. When seeing an AMP, the employee must communicate with his supervisor or department designee and advise him of his status immediately. A recently completed Return to Work form or an AMP's note indicating disability may provide adequate documentation, but if the employee is physically able, he is responsible to contact the supervisor or department designee by phone or in person.

1. Documentation must be provided in the form of an AMP's note or a Return to Work form verifying lost work time.

2. The documentation should not merely contain language that the employee is disabled and under the AMP's care; it should contain specific information concerning the employee's limitations and an estimate of when the employee may return to work, either to modified or regular duty.

3. Even though the injury may be serious, the AMP should give a prognosis for return to work so that the department can plan to cover the disabled employee's tasks during the absence and take steps to integrate the employee back into the workforce.

D. The supervisor should begin developing a plan for the employee to return to work as soon as the employee has seen an AMP even if the prognosis is not firm. The employee is expected to remain in contact with the supervisor on a regular basis to update the supervisor on his prognosis for return to work.

▪ 6.3 Workers' Compensation Disability Payments

A. The Workers' Compensation Act requires a disability of seven calendar days before disability compensation begins.

B. Disability compensation will be paid directly to the employee by the third party administrator.

▪ 6.4 Return to Work

A. When an employee has been released to return to work by the AMP, he must contact Human Resources and provide the AMP's statement, including any restrictions.

1. When the AMP allows an employee to return to work under specific restrictions, it is the responsibility of the injured employee's department to provide a description of modified jobs which must be approved by the AMP. Once the AMP approves the modified duty the department and employee must comply with the restrictions.

2. The Human Resource Department must be advised of approved activities.

B. Before the employee is allowed to return to full or modified duty, the Town retains the right to have the Town's Occupational Health Provider perform a fitness for duty assessment in order to provide final authorization to return to work, regardless of the treating AMP's release. This will allow for the protection of the employee and to provide specific instructions regarding the return to work (i.e. medications, restrictions, and follow-up instructions).

C. Upon the return to work of a disabled employee, the Workers' Compensation benefits will be paid in accordance with the Workers' Compensation Act

7.0 APPENDIX, APPENDICES

- **Supervisor's Report of Employee Accident/Incident**
- **North Carolina Industrial Commission (NCIC) Form 19**
- **Return to Work Form NCIC Form 28T**
- **Leave Request Form**