

<p style="text-align: center;">Atlantic JIF: LESSONS LEARNED FROM LOSSES March 2011</p>

TRANSITIONAL DUTY: ADD IT UP

Many JIF members are now utilizing “transitional duty” as a means to help contain the cost of a worker’s compensation claim.

In 2011, the maximum disability (T.T.D. benefits or wage replacement) rate decreased from \$794.00 per week to \$792.00 per week. However, since 2001, the wage replacement rate has actually increased by 34%, as demonstrated by the attached chart (source: New Jersey Department of Labor and Workforce Development at <https://www.njcrib.com/PremiumLossExperience/NJ>).

The increase in the wage replacement rate is only one component of the high cost of a workers’ compensation claim, but has a direct impact. This ever-increasing number (current year excepted) means that the longer an employee is out of work, the higher the cost of indemnity on that claim.

Measurable savings are realized by JIF members who have implemented a Transitional Duty Program and who attempt to accommodate all reasonable requests for accommodation. Studies have demonstrated that the cost of Worker’s Compensation claims can be reduced by establishing and maintaining good communication with

injured employees, providing prompt medical treatment by the right medical provider and through the establishment of Return-to-Work or Transitional Duty programs. In addition to the obvious savings in the reduction of temporary total disability benefits paid, accommodating “transitional” duty achieves the following:

- Employer gains control and increases the chance for a positive resolution to a claim
- Employer retains the services of valuable, trained employees
- Employer avoids employee replacement and training costs
- Employer reduces the chance of a permanent disability
- Employer discourages fraud
- Employer increases morale among injured worker and co-employees
- Employee fosters faster recoveries, both physical and psychological
- Employer resolves American with Disabilities Act compliance issues
- Employer achieves overall reduction in cost of the worker’s compensation claim

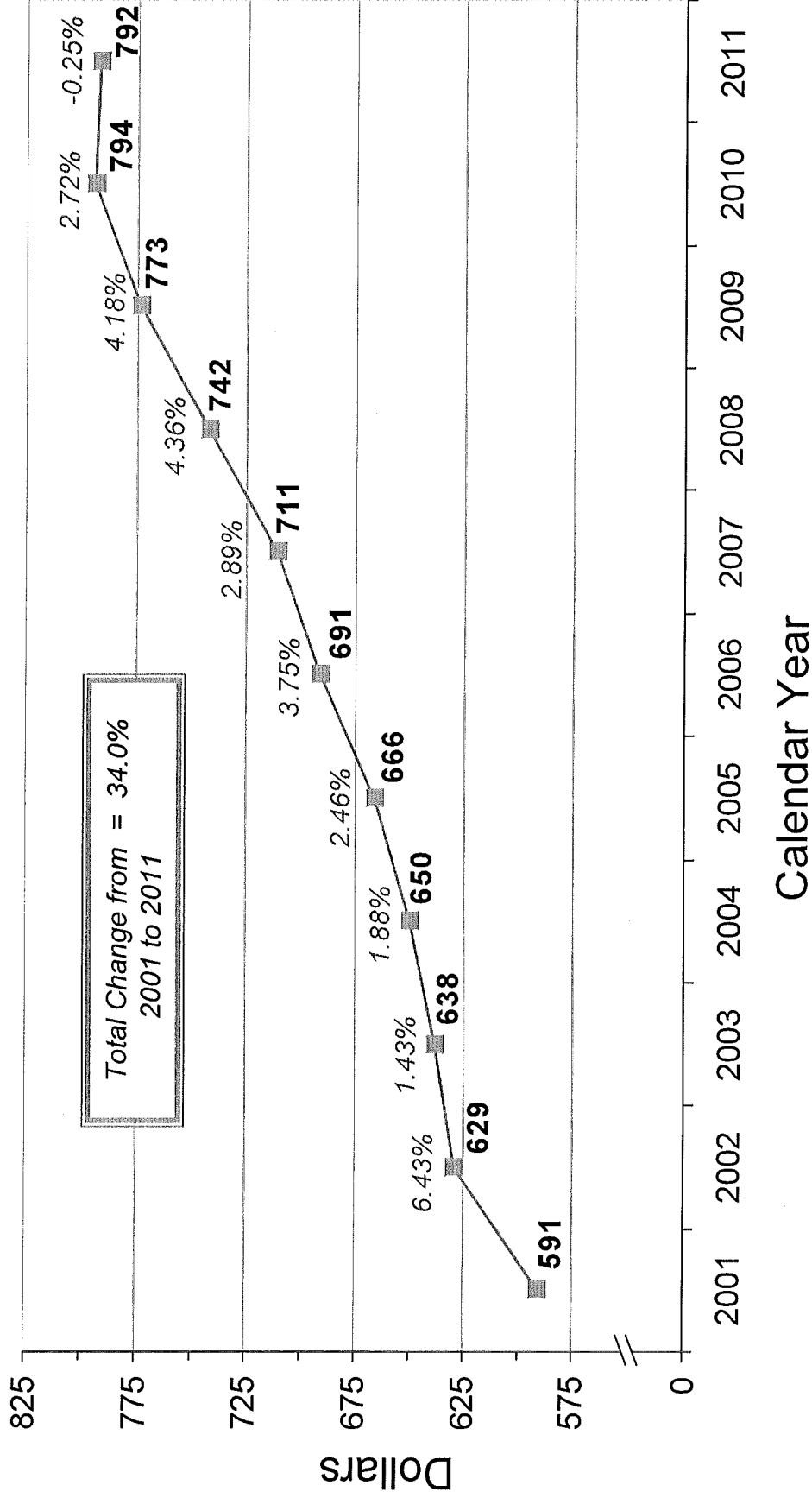
Thank you!



Scibal Associates, Inc.



Maximum Weekly Benefit as 75% of State Average Weekly Wage (SAWW) *



* State Average Weekly Wage of 2008 adjusts benefit level for 2011

Source: NJ Department of Labor and Workforce Development