


Return to Work Fund

Response to Senator Tony Mendoza

CHSWC meeting

March 24 2017



Return to Work Fund

- Labor Code Section 139.48 requires the Director of Industrial Relations to administer a Return-to-Work (RTW) Fund for the purpose of making a one-time supplemental payment to workers who experience a disproportionate loss of earnings because of injury on the job.
- The program is funded by employers through the Workers' Compensation Administration Revolving Fund
- Annual funding for the program is \$120 million
- Workers may be eligible for an RTW supplemental payment if their date of injury was on or after January 1, 2013, **and** they have received a Supplemental Job Displacement Benefit (SJDB) voucher related to that injury
- Regulations took effect in April 2015.

RTWSP Program Detail

- Workers injured on or after January 1, 2013 with injuries that result in permanent partial disability may qualify for an SJDB voucher of up to \$6,000 for education and training, if the employer does not offer regular, modified or alternative work. Upon receipt of the SJDB voucher injured workers are also eligible to apply for a supplement payment from the RTWSP Fund. Injured Workers who receive the SJDB voucher have up to one year from the date of the SJDB voucher to apply.
- Applicants to the SJDB voucher are not required to use any SJDB payments prior to applying for the RTWSP Fund. Where SJDB payments are required to be used for education or training, RTWSP Fund payments to injured workers can be used for any reason.

- Applications for the RTW benefit must be submitted electronically through the DIR website within one year from the date the SJDB voucher was served.
- Under current regulations (8 CCR 17308) the RTWSP will provide a supplement of \$5000 to each eligible individual who submits a complete application by the deadline.

Inquiry from Senator Tony Mendoza

- Is there a gap between the number of workers who were awarded Supplemental Job Displacement Benefits (SJDB) and the number of workers who applied for the RTW Fund?
- If such a gap exists, is the gap growing or shrinking over time?

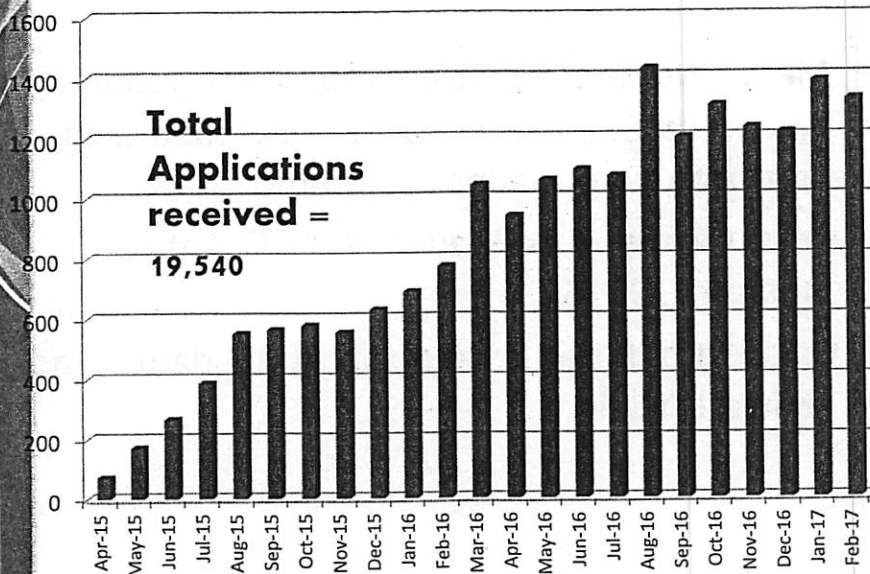
Methodology

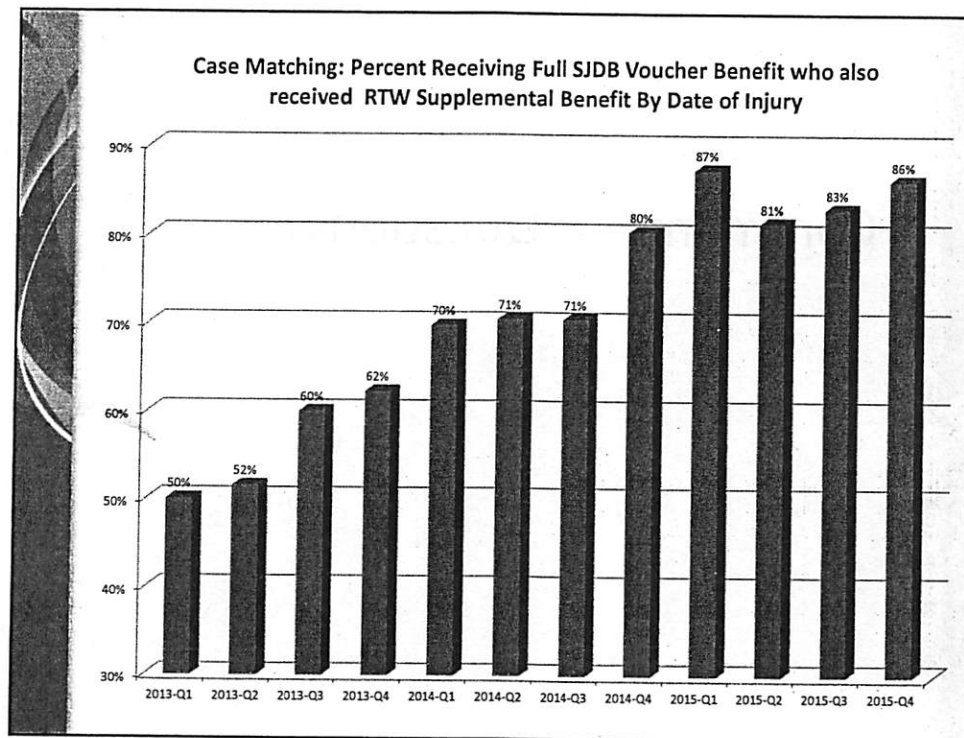
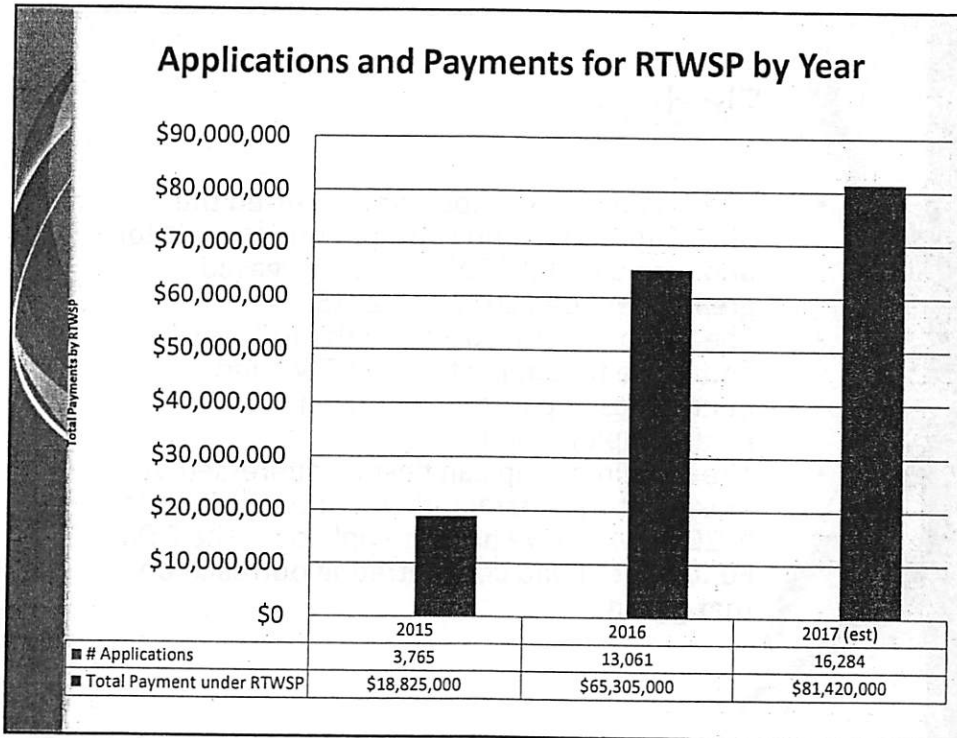
- Match Workers' Compensation Information System data on SJDB vouchers awarded with Return to Work claims reported
- From inception on January 1, 2013 until January 1, 2016.
- Conduct detailed breakdown of the data on a quarterly basis

Detailed methodology

- To perform the gap analysis DIR Research matched all claims and benefits in the Division of Workers' Compensation (DWC), Workers' Compensation Information System (WCIS), First Reports of Injury and Subsequent Reports of Injury (FROI/SROI) database, with RTWF's application data to create a complete record for analysis.
- DIR looked at RTW benefit applications by month to determine trend and magnitude
- DIR Research then identified all claims where there was a \$6,000 payment for SJDB, in the WCIS FROI/SROI database, and calculated the total number of claims with SJDB payments of \$6,000 that also have an RTWF application and total number of SJDB payments of \$6,000 that have not had an RTWF application to date.

Return to Work Supplemental Fund
Applications by Month Received Through February 28, 2017







Findings

- The proportion of those who received the SJDB application and subsequently applied for and received the RTW benefit increased greatly between 2013 and 2015.
- The gap between workers with SJDB vouchers and those that apply for the RTW Fund benefit has apparently narrowed during recent implementation.
- The remaining gap can best be addressed by looking at the characteristics of the claimants in 2015 who have not yet applied for the RTW Fund benefit and concentrating outreach on that group.

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- Comments or Questions?