The **Worker’s Compensation Workshop Manual** can be found on the OSUP website. It provides information on worker’s compensation rules and policies, leave buy back determination and deposit guidelines, and the effects of worker’s compensation payments on the employee’s W-2.

Note: Effective 03/19/2012, OSUP advised agencies that excess funds calculated during the leave buy back are payable to the employee. Use Wage Type 0674 to generate payment to the employee for these excess funds. Taxable wages will not be increased by this amount.

It is mandatory that all agencies have a written worker’s compensation policy in accordance with the following instructions:

- All employees must be advised of the policy.
- Anytime an employee/worker is injured on the job and files a worker’s compensation claim, agencies must again advise the employee of the policy and of his/her rights and responsibilities while on worker’s compensation leave.
- It is advisable to have the employee sign a statement acknowledging receipt of the policy.

The following information and/or procedures must be incorporated into the agency policy:

- Agency personnel will electronically report work-related accidents to the State of Louisiana Third Party Administrator.
- Explain the use of leave and FMLA while on worker’s compensation leave. FMLA and worker’s compensation leave can run concurrently. Include leave usage, how it will roll, and if your agency will grant the use of annual leave once all sick leave is exhausted. The employee will not earn leave on worker’s compensation leave used.
- Explain the frequency of the worker’s compensation payments, where they will be mailed, and that worker’s compensation checks expire after 180 days.
- Explain the requirement for buying back leave and the consequences if a check is not returned to buy back leave used.
  - Per Civil Service Rule 11.21, the employee cannot receive compensation payments and worker’s compensation leave payments greater than 100% of his salary.
  - If a check is not returned to buy back leave used, coding in LaGov HCM must be changed and a claim established on any hours that could have been bought back.
- Identify the type of payment your agency will accept from the employee to buy back
leave.

- Explain how retirement contributions will be handled while the employee is on leave without pay.
  - Applicable retirement systems should be contacted for specific instructions on making contributions when an employee is on leave without pay. Remember that any contributions made must be paid outside of LaGov HCM and reported as unsheltered.

- Explain how group health, life, and miscellaneous insurances will be handled while the employee is on leave without pay.
  - Group health and life premiums must be paid outside of LaGov HCM, following Office of Group Benefits policy, to continue coverage.
  - To continue coverage for miscellaneous insurance(s), the employee should contact the appropriate vendor and make payments outside of LaGov HCM.
  - If an employee is on FMLA and leave without pay, the agency is responsible for paying the employee and employer shares of group health and life premiums, subject to reimbursement by the employee. Miscellaneous insurance premiums remain the responsibility of the employee.

The following statements may be used as a reference in creating the agency’s worker’s compensation policy.

- Civil Service Rule 11.21 must be followed as a guideline in handling worker’s compensation issues.
- Wages must be reported to ORM as an Average Weekly Wage (AWW). This amount must include paid overtime, premium, differential or any other taxable income paid during the four weeks prior to the date of injury.
- Notify the applicable retirement system when an employee is out due to a worker’s compensation injury.
- Communication between timekeepers and HR is critical to ensure the reporting of information to ORM, coding in LaGov HCM, handling of retirement and/or various insurances, and the correct reporting of wages and taxes on the employee’s W-2.
- The employee’s time file must be coded with LD (worker’s comp leave), LDLW (leave without pay), and/or LDWC (worker’s comp leave buy back) for all hours the employee is on worker’s compensation, even if the employee is on FMLA.
- Deposit worker’s compensation checks immediately as required by La. Revised Statue 49.308. Worker’s compensation checks expire in 180 days.
- To determine the number of hours a worker’s compensation check will buy back, calculate
the hourly rate by dividing the average weekly wage by 40 hours (or the number of hours used to report the AWW). Next, divide the check amount by the calculated hourly rate to determine the actual number of hours the check could buy back.

- If an employee is on LDLW (leave without pay) the entire period the worker’s compensation check covers, he does not need to return the check to the agency. A payment must not be processed through LaGov HCM.
- If an employee does not return a check to buy back leave, the agency must change the coding in LaGov HCM to LDLW (leave without pay) for the value of leave that could have been bought back. This will create a claim in LaGov HCM.
- A separate manual adjustment must be processed on IT15 using wage type 0670 for the amount of leave bought back. This will reduce the employee’s taxable wages and adjust the current year’s W-2.
- If, after buying back leave, wages are due to the employee, a manual adjustment must be processed on IT15 using wage type 0674. This will generate a payment to the employee, but taxable wages will not be increased by this payment. If the employee has any insurance in arrears or a claim, it will be withheld from this payment.

For questions on how to enter in LaGov HCM or how to code the time file, contact the LaGov HCM Help Desk. For questions regarding worker’s compensation claims, contact the State of Louisiana Third Party Administrator or the Office of Risk Management. For questions on leave usage, please contact your State Civil Service Agency Relationship Manager.