

# Maryland Workers' Compensation Rate Card Instructions

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Our "Maryland rate cards" are designed to help people calculate dollars exposure in a given claim. It is important to note that maximum rates are established by calendar year, and benefits are paid based on the date of the injury, regardless of when time is lost, treatment is received, or money is actually paid.

The use of the card is best demonstrated by a hypothetical claim. Assume employee Joe Claimant sustained a compensable injury on February 14, 2016, and his average weekly wage (AWW) is \$600. The AWW (generally the employee's gross wages for the 14 weeks leading up to the date of injury) is a crucial figure, as all benefit rates (subject to the maximums) are a function of that figure. Joe's "comp rate" for lost time will be  $\frac{2}{3}$  of \$600, or \$400 per week, which he will receive "tax free." The same rate would apply to benefits for vocational rehabilitation or permanent total disability. If his AWW were \$3,000, the rate would be \$1,027 rather than \$2,000, because the maximum for 2016 (State AWW) is \$1,027.

Turn to the back of the card for permanent partial disability (PPD) benefits. If Joe receives an award of 20% to the leg, he would receive \$10,320 ( $.20 \times 300$  weeks for a leg  $\times$  \$172). The rate would be \$172 because he is receiving less than 75 weeks of benefits (a "first tier" award, with rates in the left column of the card), at  $\frac{1}{3}$  of his AWW (\$200), but subject to the \$172 maximum. Note that the "first tier" rates are not applicable to awards for fingers, the great toe, or for public safety employees. In those instances, the second tier rates are used, regardless of the number of weeks of benefits awarded.

If instead, Joe received an award of 15% under "other cases" (to the body); he would receive \$25,725 ( $.15 \times 500$  weeks, or 75 weeks, multiplied by the rate of \$343). The weekly rate is \$343 because he receives  $\frac{2}{3}$  of his AWW, subject to the maximum rate. If his AWW were \$450, the weekly rate would be \$300 ( $\frac{2}{3}$  of his AWW) as the \$343 figure is the maximum, and not automatically to be used.

If Joe received a "serious disability" award (i.e. 250 weeks or more) of 50% under "other cases", he would receive \$133,200. The weekly rate would be \$400 ( $\frac{2}{3}$  of his AWW, subject to the applicable maximum of \$771). As noted on the card, in a "serious disability" award, increase the number of weeks by  $\frac{1}{3}$ . Accordingly, 50% of the body is 250 weeks, which must be multiplied by  $\frac{4}{3}$ , resulting in 333 weeks of benefits. The applicable rate, times the number of weeks, results in the total stated. If Joe's AWW were \$3,000, the same 50% award would instead be \$341,991 (333 weeks at the maximum rate of \$1,072).

As always, if you need any additional information or assistance regarding the use of the rate card or any other matter do not hesitate to call upon us. Similarly, if you would like additional copies of the rate card, please let us know and we will be happy to provide them.

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