

Worker's Compensation Fact Sheet

Workers' compensation is the system that provides wage replacement, medical and rehabilitation benefits to workers who are injured on the job. It is essentially a no-fault system that requires an employer to compensate a worker for any injury suffered in the course of the worker's employment, regardless of who was at fault. Under the state's Workers' Disability Compensation Act, however, the amount that a worker can recover is limited. In most cases, a worker who is injured receives medical treatment, and the employer or its insurance carrier voluntarily pays workers' compensation benefits. In time, the worker is "rehabilitated" by returning to his or her former job or to another one with the same employer. Injured workers are entitled to only: (1) certain benefits to make up for the loss of wages suffered by the injured worker (limited by annually adjusted caps); (2) the cost of medical treatment (subject to cost containment rules); and (3) vocational rehabilitation services (limited to 104 weeks). Vocational rehabilitation can include changing the worker's job station or working with the employer and worker to aid in the person's return to work at the same or similar job or working with an agency to help the worker find a job with another employer.

Employees do not pay for workers' compensation; there are no deductions from their paychecks for workers' compensation; nor do they pay into a workers' compensation fund. Michigan law requires all employers to arrange for the payment of workers' compensation benefits by purchasing insurance from a commercial insurance carrier or by obtaining state-approved self-insured status. By being self-insured, the employer maintains its own fund from which it pays workers' compensation or the employer participates with other employers from the same industry to pool their resources to fund their workers' compensation coverage.

A worker should notify the employer of a work-related injury or illness as soon as he/she is aware of the injury or illness. The employer may direct the injured worker to a treating physician or medical facility of the employer's choice for the first 28 days of care following the injury or illness. After the first 28 days of medical care, injured workers may choose their own treating physician, but they must notify the employer with the name of the chosen health care provider. Once notified of the injury or illness, the insured employer is responsible for promptly: Filing the "Employer's Basic Report of Injury" (Form 100) with Michigan's Workers' Compensation Agency (WCA) for all wage loss cases; Notifying its insurer of the medical-only cases; Informing the provider of the name and address of its insurer or the designated agent of the insurer to whom health care bills should be sent; Forwarding any medical bills and documentation received for medical services to the insurer.

If the employer will not report the injury to the WCA, injured workers should contact an attorney.