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Nevada
Workers' Compensation Law Blog
NEWS & UPDATES ON WORKERS' COMPENSATION LAWS & HELPFUL INFORMATION ON THE CLAIMS PROCESS

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How Are Benefits Calculated in Nevada?

Once a claim is accepted by the insurer or the third-party administrator handling the claim, if the injured worker is off work for more than five days in a row, or five days within a twenty-day time period, temporary total disability benefits (TTD) are paid. In order to pay TTD benefits, the insurer must first get information from the employer on a wage verification form that asks the employer what the injured worker's gross wages were in the 12 weeks before the date of the injury. Any overtime wages the injured worker earned during those 12 weeks are included. This earnings history is then used to determine the **average monthly wage**. An injured worker can request that the insurer use a one-year earnings history instead of a 12-week earnings history if that would result in a higher average monthly wage.

The TTD paid is then calculated at 66 2/3% of the average monthly wage. For example, if the injured worker's average monthly wage is $3000, the TTD benefits would be $2000 if the injured worker were off work for one month. There is a maximum average monthly wage set by the state each year. Injured workers who earn more than the state maximum average monthly wage will have their benefits based on the maximum average monthly wage, and will therefore receive less than 66 2/3 of what they were really earning before their injury date.

Regulations address how an insurer is to determine the average monthly wage of injured workers who have not worked for 12 weeks before the date of their injury, or how to calculate average monthly wage of piece workers, or union employees, or other individuals with special circumstances. These regulations also address when the insurer should exclude days from the calculation if the employee had a certified illness or absence from work so that the average monthly wage calculation is not unfairly too low. Injured workers who were working for more than one employer at the time of their accident may have the wages of the second employer, called the concurrent employer, included in the average monthly wage calculation. However, it is up to the injured worker to notify the adjuster that there is a concurrent employer and to supply that wage information to the adjuster.

It is very important that the average monthly wage determination is correct, and that it is as high as it should be for the injured worker. This average monthly wage figure is used to calculate benefits when the injured worker is off work due to the injury, and is also used to determine how much money the injured worker receives for a permanent partial disability award. The average monthly wage established on the claim when it is closed will also be the average monthly wage used if the claim is ever reopened in the future. Injured workers who request a free consultation with an attorney should always discuss with the attorney whether the average monthly wage calculation appears to be correct.

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