



## **How to Calculate Your Michigan Wage Loss Benefits For a Work injury**

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The most confusing part of a workers' comp claim is determining your weekly rate. Many people assume that they are entitled to their full salary if they cannot work because of injury but that is incorrect. You are generally entitled to 80% of your after-tax average weekly wage. This comes out to be about 60% of your gross pay. You should receive these wage loss benefits for as long as you are disabled from work.

Your wage loss benefits will be limited to a maximum of 90% of the state average weekly wage. This amount is \$775.00 per week for 2012. This can be devastating for high wage earners who are faced with a substantial cut in income.

### **How to calculate your workers' comp rate in Michigan**

The first step to determining your workers' comp rate is computing your "average weekly wage." Take the highest 39 paid weeks in the 52 weeks prior to your injury and add them together. Divide this total amount by 39 to find your average weekly wage. You should include overtime and premium pay in this calculation. Under some circumstances, the value of discontinued fringe benefits can be used to increase your average weekly wage.

Once you have found your average weekly wage, you can use tables provided by the State of Michigan to determine your weekly workers comp rate. Those can be found at:

[http://www.michigan.gov/documents/wca/wca\\_2012\\_Rate\\_Book\\_369620\\_7.pdf](http://www.michigan.gov/documents/wca/wca_2012_Rate_Book_369620_7.pdf).

You must know your tax filing status and number of dependents to get the correct amount. Wage loss benefits under workers comp are income tax free.

### **Recent changes to the Michigan Workers' Comp law**

Because of recent changes to the workers' comp law, your wage loss benefits can be reduced by a hypothetical wage earning capacity. If your employer or their insurance company believes that you can perform another job, they can take a credit for those wages whether or not actually earned.

This is a major change in the law and is ripe for insurance company abuse. Call an experienced workers comp attorney immediately if you are scheduled for a vocational assessment or Stokes examination. This is usually the first sign that your workers comp benefits will be cut.

Insurance companies always make mistakes and they are never in your favor. Even if you are receiving workers comp benefits on a voluntary basis, it is a good idea to make sure that you are receiving the correct amount. An experienced workers comp lawyer can help you protect your legal rights.

Jeffrey E. Kaufman is an attorney with Michigan Workers Comp Lawyers based in Farmington Hills, Michigan. Jeff has extensive experience in workers' compensation cases and has recovered millions of dollars in benefits for his clients. He believes all injured workers deserve to be on equal footing with insurance companies and employers, and fights tenaciously so their rights are secured and protected.

For more information on Michigan workers' compensation law, visit the [Michigan Workers Comp Lawyers](#) website