TurboComp

Kentucky Workers' Compensation Benefit Calculator

User Manual

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Quick Start (PPD Calculator)

New to spreadsheets? Not to worry. Our benefit calculators are designed to do all the work for you. All you have to do is enter your claim information into the light blue cells, and results will automatically appear in the orange cells.

Claimant Information. First, enter claimant information in **rows 5-7**, including name, date of birth, injury date, average weekly wage, and educational level.

Impairment rating. Second, enter a permanent impairment rating in **row 12**, using any one of the four columns. Each column represents a different scenario, so you can compare different scenarios side by side simultaneously.

Multiplier. Enter a statutory multiplier in **row 14**, if applicable. Enter the base multiplier into the smaller cell on the left. If you enter a 3 multiplier, then the bigger cell on the right will *automatically* show the final multiplier including enhancements for claimant's age and the educational level selected from the drop-down menu in **cell L7**. To override the auto-enhancement, simply enter any number other than 3 (for example, 3.6, or 2, or 1).

Results. Results appear in orange boxes: weekly benefit amount; new weekly benefit amount if a statutory cap applies; PPD payout value; and PPD lump sum value. The calculator automatically applies the correct discount rate and automatically reduces the benefit period if limited by age.

Multiple tabs. At the bottom of the workbook are multiple tabs containing extra copies of our Benefit Calculator, and the last three tabs contain our Interest, Award, and Attorney Fee Calculator (see page 6 for a guide to the interest calculator).

TTD / PTD Calculators

Our benefit calculator calculates and takes into account periods of temporary total disability (TTD), and it also calculates permanent total disability (PTD) exposure.

Temporary total disability (TTD). In **rows 45-47** you can enter up to three different periods of temporary total disability – TTD that has either been paid or is alleged to be payable.

Permanent total disability (PTD). Our calculator automatically calculates PTD exposure. The payout value and present lump sum value of PTD are shown in **rows 55-56**. The base number of weeks and the corresponding discount value are shown in **rows 48-49**. The PTD period duration is from the date of injury up until age 70 (or for four years, whichever is longer), minus any periods of TTD shown in **rows 45-47**. For purposes of that calculation, **any TTD periods entered into rows 45-47 are treated as TTD paid**, and will reduce the length of the PTD period.

So in that case, you should omit any periods of additional TTD <u>alleged due</u> while computing the proper PTD period.

Notes Areas

<u>PPD Notes</u>. Below the PPD calculations (**rows 33-38**), there is an area for notes, divided into four columns, so you can clearly label each calculation scenario you create.

<u>TTD Worksheet.</u> To the right of the main spreadsheet is a small TTD worksheet that lets you calculate how much TTD is owed.

<u>Settlement Value Worksheet</u>. Toward the bottom of the notes area (**rows 39-42**), there is a small table that can assist in quickly calculating potential settlement value based on the figures in each column. The worksheet automatically pulls the PPD lump sum value from that column, as well as the final balance of TTD owed from the TTD worksheet. Of course, you can easily overwrite those default figures and enter different numbers if you wish.

<u>Claim notes</u>. To the right of the main calculation area, there is a large blank area where you can make detailed notes on various aspects of the claim. The area is subdivided into topics for your convenience, but you can modify that area as you see fit.

Technical Considerations

<u>Injury date</u>. (**cell F7**). Our benefit calculator applies to all injury dates after July 13, 2000.

<u>State average weekly wage</u>. (**rows 10-11**). PPD benefit calculations start with 2/3 of the claimant's average weekly wage, or the state average weekly wage for the year in which the injury occurred, whichever is lower.

<u>Base weekly PPD benefit</u>. The base weekly PPD benefit is shown in **row 15**. It is the product of 2/3 of claimant's average weekly wage (or the state AWW, whichever is lower), times the impairment rating, times the applicable grid factor, times any applicable statutory multiplier.

<u>Statutory caps</u>. The potential caps on statutory weekly benefits are shown in **rows 17-19**. **Row 20** shows which cap, if any, is applicable, and the resulting new weekly PPD rate is shown in **row 22.** The new rate will automatically be used for further calculations.

<u>Safety penalties</u>. In **row 21** you can enter a safety penalty, typically 30% for an employer safety penalty or -15% for an employee safety violation. The new weekly PPD rate is shown in **row 22.** The new rate will automatically be used for further calculations.

<u>Discount rates</u>. The published discount rates for 2023 are 2.25% if the weekly benefit is over $40 per week, or 2.75% if the weekly benefit is $40 per week or less. The appropriate discount rate is shown in weeks in **row 28** and is automatically used to calculate the PPD present lump sum value.

Age limit; TTD periods are considered. The calculator automatically limits the PPD benefit period based on claimant's age, if applicable. Per KRS 342.730(4), all income benefits (including both PPD and TTD) terminate at age 70 or four years after the date of injury, whichever last occurs. For purposes of that calculation, **any TTD periods entered into rows 45-47 are treated as TTD <u>paid</u>**, and will reduce the length of the PPD period if it is limited by age. So in that case, you should omit any periods of TTD <u>alleged due</u> while computing the proper PPD period.

Age limit; year to week conversion. **Please note that one year is not equal to exactly 52 weeks.** In cases where the PPD period is limited to four years due to advanced age, **row 27** will show a base duration of 208.7143 weeks if no TTD was paid. That reflects three regular years of 365 days, or 52.142857 weeks each, plus one leap year of 366 days, or 52.285714 weeks, resulting in a period of 208.714285 weeks, rounded to four decimal places.

Termination date _not_ included. For mathematical precision and consistency with statute, the termination date is the day **after** the last day of benefits paid. Per KRS 342.730(4), all income benefits shall terminate "as of…" (i.e. starting on) "…the date upon which the employee reaches the age of seventy (70), or four (4) years after the employee's injury or last exposure, whichever last occurs." Therefore, in cases where PPD or PTD benefits terminate at age 70 (i.e. at 12:00:01 a.m. on the 70th birthday), the termination date, or 70th birthday, is not included in the duration of benefits. For example, a start date of 1/01/20 and a termination date of 1/08/20 would produce a duration of 1.0 weeks because no benefits are payable on the termination date. It is sometimes said that benefits are payable "through the 70th birthday", conflating the terms _payment_ and _termination_; it would be more accurate to say that benefits are payable "until" the 70th birthday.

Last payment date _is_ included. Another way of stating the rule above is that a benefit period will include the first day and last day of payment; the termination date is the next day after that. For example, a first day of 1/01/20 and a last day of 1/07/20 would produce a duration of 1.0 weeks of TTD. The TTD termination date in that case would be 1/08/20.

Kentucky Interest, Award, and Attorney Fee Calculator

At the bottom of the workbook are multiple tabs. The last three tabs contains our Kentucky Workers' Compensation Interest, Award, and Attorney Fee Calculator, which allows you to quickly and easily calculate and analyze the value of a periodic award or settlement.

Quick Start

Enter past due benefit periods. To get started quickly, just enter the unpaid past due benefit periods in the fields in the "Past Due Benefits" table (the main table at the top of the sheet). Each row represents one payment period. Just select the type of benefit from the drop down menu in **column C**, then enter the weekly benefit rate, first and last payment dates, and, if applicable, the interest rate and estimated payment date. Results will populate automatically, showing principal, interest, and total due for each row, as well as totals for all rows combined.

Additional tools. From there you can use the additional tools to calculate future benefits, total award value, plaintiff's attorney fee, and appropriate reduction of future benefits to offset the lump sum payment of plaintiff's attorney fee.

Past Due Benefit Calculator

Enter data. See **Quick Start** above for instructions on how to enter data.

Interest. You can enter an interest rate in **column K.** Interest is normally awarded at 6% per annum on all past due and unpaid installments of compensation on or after 6/29/2017 until paid, but of course you can enter any figure as necessary. **If you enter an interest rate, be sure to enter an estimated payment date right away (an interest rate with no payment date will throw off the total).**

Periods with zero interest. If interest is not applicable for a particular benefit period (for instance, if that period was offset by a credit), simply leave the interest rate blank or enter a zero in the Interest Rate column.

Periods with different interest rates require separate entries. Benefit periods with different interest rates need to be entered separately in different rows.

Entering credits. If you are including interest in your past due benefit calculations, and you happen to enter a credit, then be sure to omit interest on subsequent benefit periods until the credit amount is offset. For example, if you enter a credit for a TTD rate overpayment of $40 per week for one week from 1/01/20 through 1/07/20 (for a balance of -$40), and there is a subsequent period of PPD at $20 per week starting 1/08/20, then you would omit interest on past due PPD from 1/08/20 through 1/21/20 (two weeks, for a balance of $40) in order to offset the amount of the credit. Since the credit was already paid, it was not an "unpaid installment" and no interest

would accrue for those dates. Any remaining benefit periods should be entered normally in subsequent rows, including interest.

Total past due benefit amount. Underneath the main table, at the right in **column N**, is the total amount of past due benefits payable. Below that are three cells showing a breakdown of past due PPD, TTD, and PTD respectively, including interest (from rows in which "TTD", "PPD", or "PTD" are selected from the Payment Type drop-down menu).

Total weeks past due PPD. Underneath the main table, in **cell G20**, is a tool showing the total weeks of past due PPD. It adds up the periods for all rows in which "PPD" is selected from the drop-down menu in **column C**.

Remaining future weeks. Below that, in **cells G21-22**, is a tool showing the remaining number of weeks for a 425-week and 520-week benefit period, respectively. Just to the right, in **cells H21-22**, are shown the respective termination dates. Remember, the termination date is the day <u>after</u> the last day of benefits paid (see "Termination date *not* included", above).

Future Benefit Calculator

Future benefit calculator. For your convenience, the first row of the future benefit table automatically populates with dates based on a default 425-week benefit period (start date is the day after the last past due benefit date in **column F**, and last day is the day before the 425-week termination date in **H21**). To override those dates (for instance if the benefit period is 520 weeks, or if it is limited by age), simply enter the appropriate start and end dates manually. The total weeks and payout value of future benefits are shown to the right **G27** and **L27** respectively.

Total award value. The total award value (including all past due benefits, interest, and future benefits) is shown in **cell L27**.

Attorney Fee Calculators

Attorney fee calculator. The attorney fee calculator shows the maximum plaintiff's attorney fee for contracts signed on or after 7/14/18. Calculations are also shown for contracts signed before 7/14/18, and you can enter an attorney fee manually "Actual Attorney Fee" (**L37**) if it differs from the default value.

Attorney fee reduction. The attorney fee reduction calculator reduces future weekly benefits equally in order to offset the lump sum payment of plaintiff's attorney fee. The new reduced rate is shown in **column K.** The rate reduction is calculated by dividing the attorney fee by the discount value of remaining weeks. The benefit rate and dates default to the future benefit dates calculated above in **row 27**; change manually as necessary.

Additional Tools

Copy & Past Friendly Report. Underneath the main spreadsheet is a "Copy & Paste Friendly Report" showing all results from the tables above into an easy-to-copy format. Data populates

automatically from the tables above. Simply select the area you want to copy, press Ctrl+C, and paste into a document or email. For a more compact report, you can select any empty rows first and delete them (select the entire row from the left margin, then from the top ribbon click Home tab > Delete > Delete Sheet Rows). But after you copy and paste, be sure to go back to the Home tab and "Undo" the row deletion, so that any further revisions you might make to the spreadsheet still populate correctly into the Copy & Past Report. When pasting the report, I like to right click and "past and picture" into a Word document, for the cleanest and most professional look.

Proof schedule calculator. To the right of the main spreadsheet are some additional tools. The first is a proof schedule calculator. Simply enter the date of the Scheduling Order, and subsequently deadlines are shown automatically. There is also a field where you can enter the BRC date manually.

Termination date calculator; Date range calculator. This tool can be used to calculate the termination date of any benefit period you may wish to enter. The right half of the tool is a date range calculator; you can enter two dates and calculate the length of the benefit period.

Present value calculator. The last tool is a present value calculator. You can enter a future benefit period rate and dates, and the tool automatically calculates the present lump sum value using the correct discount rate. There are three different columns, so you can compare different scenarios.

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Visit us at **www.turbocomp.net**

Contact: pcoolen@turbocomp.net