

# Workers' compensation Pennsylvania style

By Michael Lucas

All 50 U.S. states and the District of Columbia require employers to provide some form of workers' compensation insurance. Because each state administers its own workers' compensation program, details regarding coverage, benefits and requirements can differ from state to state.



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It is therefore important for both employers and employees to learn about their own state's workers' compensation laws to ensure compliance and understanding of their rights and responsibilities. Following are guidelines about workers' compensation insurance specific to employers and employees operating in the Commonwealth of Pennsylvania:

**Coverage:** Types of injuries covered by workers' compensation insurance vary state by state. In Pennsylvania workers' compensation insurance covers injuries suffered by an employee at work, illness from job related exposure to chemicals or allergens and repetitive stress injuries resulting from work activities.

**Benefits:** Types of benefits covered by workers' compensation insurance also vary by state. Benefits to Pennsylvania based employees include health care expenses for work-

related injuries or illnesses, ongoing care expenses, wage loss benefits, partial disability payments, total disability payments, permanent injury payments and death benefits payable to deceased employees' beneficiaries. Benefits to Pennsylvania based employers can help with legal fees should a worker's family sue a business following an accident.

**Insurance Carrier:**

While some states require employers to use state-run programs, Pennsylvania allows employers to purchase workers' compensation insurance from private insurance companies.

**Exemptions:** The following exemptions apply to Pennsylvania based employees: employees covered by other workers' compensation programs, including federal employees; agricultural employees working fewer than 30 days or earn less than \$1,200 in a calendar year from a sole employer and employees exempt due to religious belief or executive status.

**No-fault System:** In Pennsylvania workers' compensation is a no-fault system. This means an injured employee is entitled to receive benefits regardless of whether the employee, employer or a third party is at fault for the injury.

**Exclusions:** In Pennsylvania workers' compensation insurance does not cover injuries resulting from self-inflicted harm, injuries

sustained while committing a crime, injuries sustained while not on the job and injuries due to intoxication or drug use.

**Reporting Requirements:** In Pennsylvania employees must report work-related injuries or illnesses to their employer within 120 days. Employers are responsible for filing a claim with their workers' compensation insurer after receiving the report.

**Legal Protections:** In Pennsylvania employers are typically shielded from employee lawsuits for workplace injuries in exchange for providing workers' compensation coverage. This means an injured employee generally cannot sue his or her employer for additional damages beyond what workers' compensation provides. As in most things, there are exceptions. For example, in cases of intentional harm by the employer.

**Third-Party Claims:** In Pennsylvania a third party including someone other than the employer or the injured worker may be partially or fully responsible for a workplace injury. In such cases, the injured worker may pursue a separate legal claim against the third party.

**Fraud and Abuse:** According to the National Insurance Crime Board, workers' compensation fraud costs employers \$30 billion annually. Because this is not

a victimless crime, fraud and abuse are punishable by law.

Workers' compensation fraud can be committed by employers and even health care providers, in addition to employees. Fraud schemes, which can include exaggerating injuries, misclassifying employees, or underreporting payroll, can lead to higher insurance premiums and penalties.

**Contact your trusted risk manager and insurance broker:**

Because workers' compensation laws and regulations vary significantly by jurisdiction, it is important for both employers and employees to be familiar with specific laws that apply in their location. Your trusted risk manager and insurance broker who is familiar with Pennsylvania's requirements can help guide you through the at times confusing process.

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