

## Summary: state temporary disability rates

The Management-Labor Advisory Committee Average Weekly Wage subcommittee requested information on temporary disability benefits in other states. Specifically, the subcommittee requested information on states that have benefit tiers, and how other states define a net weekly wage as a basis for benefits. The following summary and table provides information on a selection of states that either have a benefit that is based on an after tax wage, have a temporary disability rate that is higher than 66  $\frac{2}{3}$  percent, or incorporate other factors that affect the temporary disability rate.

### **Pre tax benefits greater than 66 $\frac{2}{3}$ percent: Idaho, New Jersey, Ohio, Oklahoma, Texas, Washington**

Temporary disability rates range from 67 to 75 percent of the worker's wage, with some exceptions. In Ohio, over time, benefits may eventually be based on a rate of 66  $\frac{2}{3}$  percent. Additionally, Washington has a tiered benefit structure where in some cases, the worker may receive less than 66  $\frac{2}{3}$  percent.

### **After tax benefits: Alaska, Connecticut, Iowa, Michigan, Rhode Island**

Temporary disability benefits are based on a wage that has certain items subtracted from it. These include:

- Federal income tax (Alaska, Connecticut, Iowa, Michigan, Rhode Island)
- Social Security tax (Alaska, Iowa)
- State income tax (Connecticut, Iowa, Michigan, Rhode Island)
- Federal Insurance Contributions Act (Connecticut, Michigan, Rhode Island)

### **Factors affecting the temporary disability rate**

- Dependents or marital status (Washington, Arizona, Vermont)
- Duration (Idaho, Ohio, Texas)
- Date of injury (Maine, Rhode Island)
- Part-time status (Wisconsin)
- Worker's wage (Texas, South Dakota, Ohio)

State	Basis of TTD calculation	Pre tax or after tax	Weekly minimum	Weekly maximum	Factors affecting the temporary disability rate	Notes and related laws
Alaska	80% of the worker's spendable, after-tax, or net weekly wages	After tax	22% of the weekly maximum, or if spendable income is less, equal to the spendable weekly wage.	120% of SAWW	N/A	<b>Benefit:</b> Based on spendable weekly wage, which is gross weekly earnings minus payroll tax deductions. Payroll taxes are the amount withheld under Internal Revenue Code 1954, as though the worker claimed the maximum number of dependents for actual dependency, blindness, and old age. Also includes the amount deducted or withheld under the Social Security Act of 1935.
Arizona	66 ⅔% of the worker's average monthly wage plus an additional amount per month if dependents	Pre tax	N/A	66 2/3% of maximum average monthly wage	There is an additional allowance of \$25/month if the worker has dependents.	
Connecticut	75% of worker's spendable, after-tax, or net weekly wages	After tax	20% of the weekly maximum, but can't exceed 75% of the worker's average weekly wage	100% of SAWW	N/A	<b>Benefit:</b> Based on average weekly earnings, which are reduced by any deduction for federal or state taxes, or both, and for the Federal Insurance Contributions Act.
Idaho	67% of the worker's preinjury average weekly wage	Pre tax	15% of the average weekly state wage	90% of average state wage	Temporary disability rate depends on duration of the claim, see notes section.	<b>Benefit:</b> Benefit rate and minimum changes after the first 52 weeks of temporary disability. After 52 weeks, the rate is 67% of the average state wage. However, income benefits paid subsequent to the first 52 weeks cannot exceed income benefits paid during the first 52 weeks, except they may be increased due to increases in the average weekly state wage. Minimum benefit may increase to 45% of the average weekly state wage, if the benefit rate for the first 52 week period was less than the minimum.

State	Basis of TTD calculation	Pre tax or after tax	Weekly minimum	Weekly maximum	Factors affecting the temporary disability rate	Notes and related laws
Iowa	80% of the worker's spendable, after-tax, or net weekly wages	After tax	35% of the SAWW, or spendable weekly earnings, whichever is less	200% of SAWW	N/A	<p><b>Benefit:</b> Based on weekly spendable earnings. Spendable earnings is the amount remaining after payroll taxes are deducted. This includes:</p> <p>The amount withheld under the Internal Revenue Code as though worker claimed the maximum number of exemptions for dependency, blindness, and old age they were entitled to.</p> <p>The amount withheld under Chapter 422 (Iowa Individual, Corporate, and Franchise taxes) as though the worker claimed the maximum number of exemptions for dependency, blindness, and old age they were entitled to.</p> <p>The amount deducted or withheld for Social Security</p>
Maine	<p><math>\frac{2}{3}</math> of average gross weekly wage dates if date of injury is 1/1/2013 and after</p> <p>80% of worker's spendable, after-tax, or net wage if date of injury is prior to 1/1/2013</p>	Pre tax	None	<p>Date of injury on or after 1/1/2013: 100% SAWW</p> <p>Date of injury before 2013: 90% of SAWW</p>	Temporary disability rate depends on date of injury, see basis of TTD calculation and notes.	<p><b>Benefit:</b> Basis of benefit depends on date of injury.</p> <p><i>1/1/2013 or later:</i> Gross average weekly wage</p> <p><i>Prior to 1/1/2013:</i> After-tax average weekly wage, which was the average weekly wage, reduced by a prorated weekly amount would have been paid under the Federal Insurance Contributions Act, 26 United States Code, Sections 3101 to 3126, state income tax and federal income tax calculated on an annual basis, using as the number of exemptions the disabled employee's dependents plus the employee, and without excess itemized deductions.</p>

State	Basis of TTD calculation	Pre tax or after tax	Weekly minimum	Weekly maximum	Factors affecting the temporary disability rate	Notes and related laws
Michigan	80% of spendable, after-tax, or net weekly wages	After tax	None	90% of the SAWW	N/A	<b>Benefit:</b> Based on after-tax average weekly wage. This is the average weekly wage reduced by the prorated weekly amount that would have been paid under the Federal Insurance Contributions Act, state income tax, and federal income tax (calculated on an annual basis using the number of dependents and employee as the number of exemptions, without excess itemized deductions).
New Jersey	70% of worker's preinjury weekly wage	Pre tax	20% of the SAWW	75% of the SAWW	N/A	
Ohio	72% of employee's preinjury wage for the first 12 weeks and then 66 <sup>2</sup> / <sub>3</sub> % of preinjury wage thereafter.  If the FWW (full weekly wage) or the AWW (average weekly wage) is below the minimum, the TTD is 100 percent of the FWW or AWW.	Pre tax	33 1/3% of the SAWW, unless workers' wage is less than this minimum. If less than the minimum, compensation equal to the worker's full wages.	100% of the SAWW, or 100% of the employee's net take-home weekly wage, whichever is less.	Temporary disability rate depends on duration of the claim and how the worker's wage compares to the minimum, see basis of TTD calculation and notes section.	<b>Benefit:</b> Based on a full weekly wage, or average weekly wage, depending on the duration of the claim.  <i>Full weekly wage</i> is used for the first 12 weeks after the date of injury, and is based on earnings for the six weeks and/or seven days prior to the date of injury.  <i>Average weekly wage</i> is used after 12 weeks of missed work, and is based on earnings for the 52 weeks prior to the date of injury.
Oklahoma	70% of the workers' preinjury wage	Pre tax	None	70% of the SAWW	N/A	
Rhode Island	Sixty-two percent (62%) of the difference between his or her average weekly base wages, earnings,	Pre tax	None	125% of the SAWW	Temporary disability rate depends on date of injury, see basis of calculation and notes.	<b>Benefit:</b> Basis of benefit depends on date of injury.  For injuries on or after 1/1/2022: 62% of average weekly base wages, earnings, or salary.

State	Basis of TTD calculation	Pre tax or after tax	Weekly minimum	Weekly maximum	Factors affecting the temporary disability rate	Notes and related laws
	or salary before the injury					For injuries on or before 12/31/2021: 75% of average weekly spendable base wages, earnings, or salary. Spendable earnings means the employee's gross average weekly wages, earnings or salary, including any gratuities reported as income, reduced by amount determined to reflect amounts that would be withheld from the wages, earnings, or salary under federal and state income tax laws, and under the Federal Insurance Contributions Act (FICA). In all cases, it is assumed that the amount withheld would be determined on the basis of expected liability of the employee for tax for the taxable year in which the payments are made without regard to any itemized deductions but taking into account the maximum number of personal exemptions allowable.
<b>South Dakota</b>	66 ⅔ % of the worker's preinjury wage.	Pre tax	50% of the SAWW	100% of the SAWW	Temporary disability rate is different if worker wage is less than the minimum benefit, see notes section.	<b>Benefit:</b> If an employee earned less than fifty percent of the maximum allowable amount per week, the amount of compensation may not exceed one hundred percent of the employee's earnings calculated after the earnings have been reduced by any deduction for federal or state taxes, or both, and for the Federal Insurance Contributions Act made from such employee's total wages received during the period of calculation of the employee's earnings.
<b>Texas</b>	70% of the injured employee's preinjury weekly wage	Pre tax	15 percent of the SAWW	100% of the SAWW	Temporary disability rate is different if worker's wage is less than \$10 per hour, see notes section.	<b>Benefit:</b> If the employee earns less than \$10 per hour, the first 26 weeks are paid at 75% of the state average weekly wage and then 70% thereafter.

State	Basis of TTD calculation	Pre tax or after tax	Weekly minimum	Weekly maximum	Factors affecting the temporary disability rate	Notes and related laws
Vermont	66 $\frac{2}{3}$ % of the worker's preinjury wage	Pre tax	50% of the SAWW	150% of the SAWW	\$20/week is added for each dependent child who is under 21 years of age, provided no other injured worker is receiving the same benefits on behalf of the dependent child or children. However, total weekly wage replacement benefit can't exceed 90% of the worker's average weekly wage.	
Washington	60% - 75% of the worker's preinjury monthly wage	Pre tax	15% of the SAMW, plus additional set dollar amounts depending on marital status and number of children.	120% of the SAMW	Percent of wages replaced varies depending on marital status and number of children.	<b>Benefit:</b> If unmarried, benefit starts at 60%, and increases by 2% per dependent, up to 5 children, to 70%. If married, benefit starts at 65%, and increases by 2% per dependent, up to 5 children, to 75%.
Wisconsin	66 $\frac{2}{3}$ % of the worker's preinjury wage.	Pre tax	\$20	110% of SAWW	Temporary disability rate may be 100 percent if the worker was part time, see notes section.	<b>Benefit:</b> TTD rate may be set at 100 percent of actual earnings if part-time employee and self-restricts (e.g. if they limit to part time on the labor market)

#### Sources

WCRI/IAIABC Workers' Compensation Laws as of January 1, 2025  
IAIABC WorkCompare database  
Individual state laws and regulations

#### Notes

AWW: Average Weekly Wage  
SAWW: State Average Weekly Wage  
SAMW: State Average Monthly Wage