BENEFITS UNDER THE DEFENSE BASE ACT

Office of Workers’ Compensation Programs (OWCP)

Division of Longshore and Harbor Workers’ Compensation (DLHWC)
Benefits Under the DBA

• Medical Treatment

• Disability Compensation

• Death Benefits

• Vocational Rehabilitation
Medical Benefits

• Medical Treatment by a physician of the employee’s choice.

• Medical care must be related to the employment injury or illness.

• Medical treatment is payable for as long as the injury or illness requires.
Disability Benefits

• Temporary Total
• Temporary Partial
• Permanent Total with annual increases
• Permanent Partial
  – Based upon wage loss (unscheduled)
  – Based upon percent of loss of use of specified body part (scheduled)
Compensation is Determined by Average Weekly Wage (AWW)

• **Temporary Total (TTD):** 2/3 of the AWW

• **Temporary Partial (TPD):** 2/3 of employee’s loss of wages

• **Permanent Total (PTD):** 2/3 of the AWW

• **Permanent Partial (PPD):**
  - 2/3 of loss of earning capacity (unscheduled PPD) or,
  - TTD for a defined number of weeks for a % of permanent impairment of a scheduled body part (scheduled PPD)
Maximum & Minimum

- Compensation is subject to a Maximum Compensation Rate, which is adjusted annually.

- Current Maximum as of 10/01/08 = $1,200.62 per week.

- There is no Minimum Compensation Rate under the DBA.
Example 1: Truck driver earning $37,700/year w/injuries to back and right arm

- **AWW**: $37,700 ÷ 52 = $725
- **TTD**: $483
- **PTD**: $483
- **PPD Unscheduled wage loss**: 2/3 x ($725 – 300) = $283
- **PPD Scheduled body part**: 50% x 312 weeks x $725 = $113,100
Example 2: Same truck driver earning $95,000/yr in Iraq

- **AWW**: $95,000 ÷ 52 = $1,826.92
- **TTD**: 2/3 x $1,826.92 = $1,200.62 (max)
- **PTD**: 2/3 x $1,826.92 = $1,200.62 (max)
- **PPD unscheduled wage loss**: 2/3 x ($1,826.92 – $300) = $1,017.97
- **PPD scheduled body part**: 50% x 312 weeks x $1,200.62 = $187,296.72
CALCULATING AWW

• Section 10 – compensation is based on AWW and calculated as follows:
  • (a) earnings ÷ days worked x 300/260
  • (b) same as similarly situated employee
  • (c) “reasonable” estimate of earning capacity at the time of injury
Death Benefits

- Burial Expenses of up to $3,000.
- 50% of AWW for the surviving spouse, or if no spouse, for one surviving child.
- $16\frac{2}{3}$ of AWW for one or more surviving children, shared equally, in addition to the 50% for spouse and one child.
- Child benefit is paid up to age 18, student benefit through age 23 if in school full-time.
Annual Adjustment

• Permanent total disability and death benefits are subject to annual adjustment (increase) based on U.S. national average weekly earnings as reported by the Bureau of Labor Statistics.

• Annual adjustments are applied on October 1 of each year.
Lifetime Disability Payments

• Permanent disability is payable as long as disability continues. Spousal death benefit is payable for life, unless remarried.

• A 40 year old earning $1,500/week will receive permanent total disability benefits over his 35 year life expectancy:
  @ $1,000 x 52 weeks x 35 years = $1,820,000, not including cost of living adjustments.
Lifetime Death Benefits

• If the same employee had been killed, his 30 year old widow and 2 infant children will receive over the life of the claim in excess of $2,000,000, not including annual adjustments.

• Widow @ $750 x 52 weeks x 45 years
  = $1,755,000

• Children @ $250 x 52 x 21 years
  = $273,000
Commutation

- Permanent disability and death benefits payable to aliens and non-US citizens residing outside the US may be commuted.

- Commuted benefit is equal to one half of the present value of future compensation, paid in one lump sum.
Other Benefits

• Vocational Rehabilitation services for permanently disabled employees unable to return to employment without assistance.

• Currently rehabilitation services are only available to those permanently disabled employees residing in the United States.