

SEP 25 1974

No. 19



NOTICE TO INSURANCE CARRIERS, SELF-INSURED EMPLOYERS
UNDER THE LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION
ACT, AND OTHER INTERESTED PERSONS

Subject: Maximum and Minimum Compensation Rates Effective
October 1, 1974; Adjustments of Permanent Total
Disability and Death Cases

Section 6(b)(3) of the Longshoremen's and Harbor Workers' Compensation Act provides that prior to October 1 of each year, based on the national average weekly wage for the three calendar quarters ending June 30 of that year, the Secretary of Labor shall determine the national average weekly wage to be applicable for the period beginning October 1 of that year and ending with September 30 of the next year. It has been determined that the national average weekly wage applicable for the period beginning October 1, 1974, and ending September 30, 1975, is \$149.14.

Section 6(b)(1)(C) provides that for the period October 1, 1974 through September 30, 1975 the maximum rate of compensation under this Act shall not exceed 175 percent of the national average weekly wage. The maximum compensation rate for total disability for injuries sustained during this period and for benefits payable for deaths occurring within this period is \$261.00 (175 percent of \$149.14).

Compensation for disability or death benefits subject to this maximum should be paid at 66-2/3 percent of the employee's average weekly wage as determined under section 10, subject to the foregoing limitation. In death cases where there is a widow and one or more children, and 66-2/3 percent of the employee's wages exceed the maximum allowable, the total benefit shall be limited to \$261.00, the widow being entitled to three-fourths of that amount and the child or children to one-fourth of the total benefit, share and share alike.

The minimum compensation rate payable for disability incurred in the above period is \$74.57 per week, fifty percent of the national average weekly wage. However, if an employee's average weekly wage is less than this amount, he receives his entire average weekly wage as compensation for total disability.

Include your address, ZIP code, and file number on all correspondence

In computing death benefits covered by this applicable period, the average weekly wage of the deceased employee shall be considered to have been not less than \$149.14 per week, but total weekly benefits shall not exceed the average weekly wage of the deceased.

The foregoing maximum and minimum rates do not apply to employees covered by the Nonappropriated Fund Instrumentalities Act. The maximum and minimum rates for those employees change whenever Federal employees' pay rates change.

In accordance with section 10(f) of the Act, effective October 1, 1974 compensation or death benefits payable for permanent total disability or death arising out of injuries sustained during the period from October 1, 1973 through September 30, 1974, are to be increased by 6.26 percent, the percentage by which the national average weekly wage of \$149.14 (effective October 1, 1974) exceeds the previous national average weekly wage of \$140.36 (effective October 1, 1973 through September 30, 1974). The weekly compensation after adjustment shall be fixed at the nearest dollar, and no adjustment of less than \$1 shall be made. In no event shall compensation for death benefits be reduced. District offices of the Office of Workers' Compensation will advise beneficiaries receiving payments and insurance carriers and self-insured employers of the amount of adjustment due in each case.

Field or district offices of insurance carriers or self-insured employers paying benefits under the Longshoremen's and Harbor Workers' Compensation Act, the District of Columbia Compensation Act, the Defense Base Act, the Outer Continental Shelf Lands Act and the Nonappropriated Fund Instrumentalities Act will soon receive specific instructions from the Office of Workers' Compensation Programs' (OWCP) District Offices for making the adjustments under section 10(f) and should begin paying at the new benefit levels as soon as possible.

If the section 10(f) increase is applied to a case previously adjusted under section 10(h)(1) of the Act, an insurance carrier or employer is to be reimbursed for all the adjusting payment under reimbursement procedures which have been established by the OWCP National Office. In case of questions about implementing these mandatory adjustments, any district office or the OWCP National Office may be contacted.

John E. Stocker
JOHN E. STOCKER

Associate Director for Longshore
and Harbor Workers' Compensation