

Ways an insurer can Protect Itself and Recover Credits and Offsets for Benefits an Employee has Received

Despite the many protections afforded to injured workers in Pennsylvania, there are numerous ways that an insurer can financially protect itself and recover credits and offsets for benefits that an employee has received. What is important to know here?

Aside from knowing the particulars of the specific type of credit or offset, it's important to simply know what to do and when to do it.

When it comes to Social Security retirement benefits, severance, pensions, unemployment compensation, and the like, it's no secret that insurers are entitled to the applicable credits for benefits received after a compensable injury. As a general tip in practice, however, it is important to keep up with an employee's receipt of benefits or any change in the receipt of benefits. This means staying informed regarding any applicable benefits and complying with the proper procedures to ensure receipt of any applicable credits or offsets. So, how can you do this?

Insurers should regularly use and send out the LIBC-756 form, which is used to report an employee's receipt of benefits. Employees should technically complete these forms and return them to the insurer within 30 days of the receipt of any of the benefits mentioned above or within 30 days of any change in the receipt of these benefits. At the very least, these forms should be completed at least every six months.

Depending on any sources listed on the returned LIBC-756 form, insurers may then offset these benefits by sending out the LIBC-761 form at least 20 days before taking any offset. The purpose is to notify the employee of the amount and type of the offset, while also providing supporting documentation and information concerning when the offset will begin. Just as employees are expected to be notified of changes in their receipt of additional income and benefits, insurers are also expected to be notified of any offset changes with the appropriate form and notice.

It is important to keep in mind that insurers may also be entitled to applicable credits and offsets for benefits that employees had already received following the date of injury, which is why it is especially important to stay apprised of the benefits that employees are receiving or the benefits that they have received. To compute the credit for certain benefits and offsets, the amount received may be divided by the weekly compensation rate, where the result is the number of weeks to which the insurer is entitled to offset against future benefits payments. However, different benefit offsets are calculated differently, so you cannot simply divide by the number of weeks in all cases. Furthermore, it is still required that notice of the change be appropriately sent out through use of the LIBC-761 form.

However easy it may seem to simply cease or reduce the payment of benefits in order to recoup credits to which you are entitled, Pennsylvania Workers' Compensation lives by the LIBC forms, which are in place for a reason. Although much of the above assumes that employees also abide by using the forms, this is not to

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say that will always be the case. Insurers should be proactive and should regularly send them out and follow-up if they want to recover cash to which they are entitled.

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