



*State of Louisiana*  
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

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July 27, 2005

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2006-09

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary  
Director

SUBJECT: OSUP Policy on Worker's Compensation

The Office of State Uniform Payroll in conjunction with the Office of Risk Management and the Office of Information Services recently conducted several worker's comp workshops. These workshops encompassed training agency personnel on the worker's comp process, entry of transactions in ISIS HR and creating a more uniform procedure on handling this process.

Per this memorandum, it is mandatory that all agencies create a written worker's comp policy in accordance with the following instructions:

- All employees must be advised of the policy.
- Anytime an employee/worker is injured on the job and files a worker's comp claim, agencies must again advise the employee of the policy and of his/her rights and responsibilities while on worker's comp leave.
- It is advisable to have the employee sign a statement acknowledging receipt of the policy.

The following information and/or procedures must be incorporated into the agency policy:

- Identify the appropriate Office of Risk Management forms that must be completed to file a worker's comp claim.
- Explain the use of leave and FMLA while on worker's comp leave. FMLA and worker's comp leave can run concurrently. Include leave usage, how it will roll, and if your agency will grant the use of annual leave once all sick leave is exhausted. The employee will not earn leave on worker's comp leave used.
- Explain the frequency of the worker's comp payments, where they will be mailed and that worker's comp checks expire after 180 days.

- Identify the type of payment your agency will accept from the employee to buy back leave.
- Explain the requirement for buying back leave and the consequences if a check is not returned to buy back leave used.
  - Per Civil Service Rule 11.21, the employee cannot receive compensation payments and worker's comp leave payments greater than 100% of his salary.
  - If a check is not returned to buy back leave used, coding in ISIS HR must be changed and a claim established on any hours that could have been bought back.
- Explain how retirement contributions will be handled while the employee is on leave without pay.
  - Applicable retirement systems should be contacted for specific instructions on making contributions when an employee is on leave without pay. Remember that any contributions made must be paid outside of ISIS HR and reported as unsheltered.
- Explain how group health, life and miscellaneous insurances will be handled while the employee is on leave without pay.
  - Group health and life premiums must be paid outside of ISIS HR, following Office of Group Benefits policy, to continue coverage.
  - To continue coverage for miscellaneous insurance(s), the employee should contact the appropriate vendor and make payments outside of ISIS HR.
  - If an employee is on FMLA and leave without pay, the agency is responsible for paying the employee and employer shares of group health and life premiums, subject to reimbursement by the employee. Miscellaneous insurance premiums remain the responsibility of the employee.

The following statements reiterate important information discussed at the workshop sessions and may be used as a reference in creating the agency's worker's comp policy.

- Civil Service Rule 11.21 must be followed as a guideline in handling worker's comp issues.
- Complete the E-1 form and notify the Office of Risk Management (ORM) as soon as an injury is reported regardless of the extent or validity of the claim.
- Wages must be reported to ORM as an Average Weekly Wage (AWW). This amount must include paid overtime, premium, differential or any other taxable income paid during the four weeks prior to the date of injury.

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- Discuss the agency's worker's comp policy with employees to ensure they are aware of their rights and responsibilities.
- Notify the applicable retirement system when an employee is out due to a worker's comp injury.
- Communication between timekeepers and HR is critical to ensure the reporting of information to ORM, coding in ISIS HR, handling of retirement and/or various insurances and the correct reporting of wages and taxes on the employee's W-2.
- The employee's time file must be coded with LD (worker's comp leave), LDLW (leave without pay), and/or LDWC (worker's comp leave buy back) for all hours the employee is on worker's comp, even if the employee is on FMLA.
- Deposit worker's comp checks immediately as required by La. Revised Statute 49.308. Worker's comp checks expire in 180 days.
- To determine the number of hours a worker's comp check will buy back, calculate the hourly rate by dividing the average weekly wage by 40 hours (or the number of hours used to report the AWW). Next, divide the check amount by the calculated hourly rate to determine the actual number of hours the check could buy back.
- If an employee is on LDLW (leave without pay) the entire period the worker's comp check covers, he does not need to return the check to the agency. A payment **must not** be processed through ISIS HR.
- If an employee does not return a check to buy back leave, the agency must change the coding in ISIS HR to LDLW (leave without pay) for the value of leave that could have been bought back. This will create a claim in ISIS HR.
- A separate manual adjustment must be processed on IT15 using wage type 0670 for the amount of leave bought back. This will reduce the employee's taxable wages and adjust the current year's W-2.
- If, after buying back leave, wages are due to the employee, a manual adjustment must be processed on IT15 using wage type 0674. This will generate a payment to the employee, but taxable wages will not be increased by this payment. If the employee has any insurance in arrears or a claim, it will be withheld from this payment.

In several of the workshops, agencies asked, in reference to scenario #3, if they could benefit the employee by paying the employee for any LDLW (leave without pay) hours before buying back any LD (worker's comp leave) hours. After further discussion, agencies must follow the instructions given in the workshop for this scenario. **If an employee uses LD and LDLW hours in the same period, first buy back as many LD hours as possible and then pay the employee for any LDLW hours, if there are funds left over. This will allow the employee to have more worker's comp leave to use in future periods.**

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Due to the complexity and in depth training of worker's comp, this memo only highlights important information. For additional information, review the attached Worker's Comp Workshop Manual.

If you have any questions on how to enter in ISIS HR or how to code the time file, contact the ISIS HR Help Desk at (225) 342-2677, option #1, 2. For questions regarding worker's comp claims, contact the Office of Risk Management at (225) 342-8500. For questions on leave usage, contact the Department of Civil Service Program Assistance Division at (225) 342-8574. For all other questions, please contact a member of the Wage and Tax Unit within the Office of State Uniform Payroll at (225):

Chelette Jarrett 342-0714  
Wendy Eggert 219-1091  
Rhonda Desselle 219-0338

Rachel Bryant 342-1651  
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JWC:CMJ/kmb

Attachment: [Worker's Comp Workshop Manual](#)