

# Average Weekly Wage Calculations

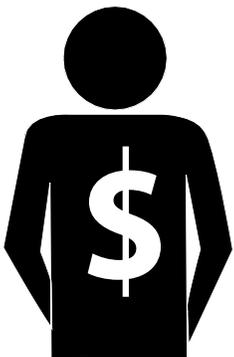
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Information for Injured Employees from the Division of Workers' Compensation

**Income benefits** replace a portion of wages you lose because of a work-related injury or illness. There are four types of income benefits:

- temporary income benefits (TIBs);
- impairment income benefits (IIBs);
- supplemental income benefits (SIBs); and
- lifetime income benefits (LIBs).

Income benefits may not exceed the maximum weekly amount set by state law. Temporary income benefits, impairment income benefits, and lifetime income benefits are also subject to a minimum amount set by state law. Maximum and minimum benefit amounts are based on the state average weekly wage. A copy of the maximum and minimum benefits for each type of income benefit can be found on the Texas Department of Insurance website at <http://www.tdi.texas.gov/wc/employee/maxminbens.html>.



You must report any income (other than workers' compensation benefits you may be receiving) to the Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) and the insurance carrier so an adjustment can be made to your income benefit payments. You may be fined and/or charged with fraud if you receive temporary income benefits or supplemental income benefits while also receiving wages

from an employer without informing the TDI-DWC and the insurance carrier.

Income benefits are not payable following the death of an injured employee. In the case of an injured employee's death, the injured employee's beneficiaries may be eligible to file a claim for and receive death benefits if the injured employee's death was due to the work-related injury or illness.

## Calculation of Average Weekly Wage (AWW)

[Texas Labor Code §§408.041-408.047, 28 Texas Administrative Code §§128.1 – 128.7]

Your income benefits are determined from the calculation of your average weekly wage (AWW). A full-time employee is one who regularly works at least 30 hours per week. To calculate your average weekly wage for a

full-time employee, add your earnings for the 13 weeks prior to the injury, including any overtime or other special pay and any non-pecuniary wages the employer does not continue after your injury and divide by 13. "Non-pecuniary Wages" means wages in a form other than money (e.g., health insurance premiums, vehicle, clothing, or rent/housing). If you did not work for your employer for 13 weeks before the work-related injury or illness occurred, your average weekly wage may be calculated using the earnings of an employee with the same or a similar job. (Note: See page 2 for school district employees.)

## AWW Calculation – Full-Time Employee:

13 weeks wage at \$824.23	\$10,714.99
Health Insurance Premium (discontinued \$82 per week x 13)	\$1,066.00
	<u>\$11,780.99</u>
Average weekly wage $\$11,780.99 \div 13 =$	\$906.23

## Multiple Employment

[Texas Labor Code §408.042]

If you have more than one job and your work-related injury occurred with an employer carrying workers' compensation insurance and the injury keeps you from working at your other job(s), you may report any wages to the insurance carrier that are reportable for federal income tax purposes for consideration of lost wages. The following are examples of how your AWW would be calculated for multiple employment.

## AWW Calculation - Multiple Employment:

Claim Employer AWW: \$700

Non-Claim Employer AWW: \$300

- Regardless of the type of employment
- Only wages reportable for federal income tax purposes

Add all the AWWs together to compute multiple employment AWW:

**\$700 (+) \$300 (=) \$1,000 Multiple Employment AWW**

**For further assistance,  
call 1-800-252-7031 or visit**

<http://www.tdi.texas.gov/wc/employee/index.html>

## ***School District Employees***

**[Texas Labor Code §408.0446,  
28 Texas Administrative Code §128.7]**

If you work for a school district, the average weekly wage is calculated based on the wages *earned*, not on the basis of wages *paid* during that period. A school district employee can choose to be *paid* their wages either during the nine (9) months of the school year or receive equal payments over a twelve (12) month period. Therefore, the wages are only *earned* during the nine (9) months of school even though the wages continue to be paid over a twelve (12) month time frame. For example, if there are no actual wages earned for the three (3) months during the summer break and you do not work for another employer during that time, the AWW will be zero and no TIBs will be due. The insurance carrier may adjust the AWW as necessary to reflect the actual wages the school district employee earned. If you have earnings from a second job including any employment during the summer break, these earnings will be used to calculate an AWW for TIBs.

The AWW for the calculation of impairment income, supplemental income, lifetime income, and death benefits is also different. Only pecuniary wages are used in this calculation. "Pecuniary Wage" refers to a wage in the form of money (e.g., salary, commissions, and bonus). Non-pecuniary wages are never included. The total wages earned during the past twelve (12) months are divided by fifty (50) to establish the average weekly wage for these benefits. Evidence of earnings from employers other than the school district during the last 12 months may be included. The following are examples of how a school district employee's AWW is calculated:

### ***Example # 1 - Sample School District - Written Contract Based on Months Worked***

Amount of Contract: \$45,000  
Contract Based on: 9 months of work

#### ***Calculation of AWW for TIBs Based on this Contract***

$\$45,000 \div 9 =$  \$5,000 monthly amount  
 $\$5,000 \div 4.34821 =$  \$1,149.90 AWW

#### ***Note:***

4.34821 is the average number of weeks per month

#### ***Calculation of AWW for Benefits other than TIBs Based on this Contract***

$\$45,000 \div 50 =$  \$900 AWW

### ***Example # 2 - Sample School District - Written Contract Paid Based on Number of Days Worked***

Amount of Contract: \$45,000  
Contract Based on: 189 days

#### ***Calculation of AWW for TIBs Based on this Contract***

$\$45,000 \div 189 =$  \$238.09 (daily amount)  
 $\$238.09 \times 5 =$  \$1,190.45 AWW

#### ***Calculation of AWW for Benefits other than TIBs Based on this Contract***

$\$45,000 \div 50 =$  \$900 AWW