

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 \div 52 = \725
- **TTD:** $2/3 \times \$725 = \483
- **PTD:** $2/3 \times \$725 = \483
- **PPD Unscheduled wage loss:**
 $2/3 \times (\$725 - 300) = \283
- **PPD Scheduled body part:**
 $50\% \times 312 \text{ weeks} \times \$725 = \$113,100$

Example 2: Same truck driver earning
\$95,000/yr in Iraq

- **AWW:** $\$95,000 \div 52 = \$1,826.92$
- **TTD:** $2/3 \times \$1,826.92 = \$1,200.62$ (max)
- **PTD:** $2/3 \times \$1,826.92 = \$1,200.62$ (max)
- **PPD unscheduled wage loss:**
 $2/3 \times (\$1,826.92 - \$300) = \$1,017.97$
- **PPD scheduled body part:**
 $50\% \times 312 \text{ weeks} \times \$1,200.62 = \$187,296.72$

CALCULATING AWW

- Section 10 – compensation is based on AWW and calculated as follows:
- (a) $\text{earnings} \div \text{days worked} \times 300/260$
- (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.