

STATE OF WISCONSIN



Department of Workforce Development

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# WCAC Update: Supplemental Benefits

Worker's Compensation Division

March 19, 2025

# Supplemental Benefits

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Wis. Stat. 102.44 (1)

Which claims are eligible for supplemental benefits:

- Greater than 24 months temporary total disability or permanent total disability
- S. 102.44 (1) (c), Wis. Stats., the carrier may request reimbursement for payment of supplemental benefits from the Worker's Compensation Operations Fund



# Supplemental Benefits: A History

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In 1919, the Second Injury Fund was established.

- Precursor to the Work Injury Supplemental Benefit Fund (WISBF).
- 1972, this Fund began making supplemental benefit payments to long-standing permanent total disability claimants.



# Supplemental Benefits: A History

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- Beginning May 13, 2013, reimbursement to carriers and self-insured employers for supplemental benefits was discontinued from the WISBF SEG Fund 226, due to an insufficient fund balance to cover liabilities. This change was approved by the WCAC.
- Carriers and self-insured employers continue to pay supplemental benefits to claimants.
- Effective Jan. 1, 2016, carriers were eligible to request reimbursement for the supplemental benefits they paid and reimbursements made from the Worker's Compensation Operations Fund, SEG Fund 227.



# Current Eligibility for Supplemental Benefits

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- Claimants with a date of injury prior to Jan. 1, 2003.
- As of Jan. 28, 2025, there were 548 open permanent total disability benefit claims.
- 325/548 received supplemental benefits.
- One (1) temporary total disability claim receiving supplemental benefits.



# Supplemental Benefit Rate History

Beginning	Injury Date	Max Weekly Rate
01/01/1972	prior to 02/01/70	\$79.00 (max rate effective 02/01/70)
01/01/1978	prior to 01/01/72	\$90.00 (max rate effective 01/01/72)
12/30/1991	prior to 01/01/76	\$125.00
01/01/1996	prior to 01/01/76	\$150.00
01/01/2002	prior to 01/01/78	\$202.00 (max rate effective 01/01/78)
03/30/2004	prior to 05/13/80	\$233.00 (max rate effective 05/13/80)
04/01/2006	prior to 01/01/85	\$321.00 (max rate effective 01/01/85)
01/01/2007	prior to 01/01/87	\$338.00 (max rate effective 01/01/87)
04/01/2008	prior to 01/01/93	\$450.00 (max rate effective 02/01/93)
05/01/2010	prior to 01/01/01	\$582.00 (max rate effective 01/01/01)
03/02/2016	prior to 01/01/03	\$669.00 (max rate effective 01/01/03)



# Supplemental Benefit Current Law

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Under 2015 Wisconsin Act 55, effective Jan. 1, 2016, the following changes were made:

- Shifted reimbursement for supplemental benefits paid by employers or insurers.
- For injuries prior to Jan. 1, 2016, reimbursement must come from the Worker's Compensation Operations Fund, SEG Fund 227, not from the WISBF, SEG fund 226.
  - Wis. Stat. 102.75(1g) authorizes the Department to assess and collect costs for the reimbursement of supplemental benefits, capped at \$5,000,000 per year.



# Supplemental Benefit Current Law

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- Department may pay a maximum of \$5 Million in a calendar year to carriers.
- When the payable amount in a calendar year exceeds \$5 million, the Department pays \$5 million and pays the excess in the next calendar year.
- The Department will pay claims for reimbursement in the chronological order they are received.





# Gov. Evers 2025-27 Executive Budget Proposal

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- Request a new annual alpha appropriation in SEG Fund 227 and budget authority
- The purpose of the proposed new appropriation is for payment of supplemental benefit reimbursement.
- Supplemental benefit increases are a type of periodic cost of living adjustment
- Rate has not changed in 9 years





Questions?

