Wages

Self-Insurance Claims Adjudication Guidelines

Computing Gross Monthly Wage

Wages at the Time of Injury
WAC 296-14-520, WAC 296-14-522

Time-loss compensation calculations are based on wages the injured worker was receiving at the time of injury or manifestation of occupational disease. If the worker had a second job at the time of injury, the income from this source must also be included when computing gross monthly wages.

Compensation received as part of the contract of hire must also be included when calculating wages. A contract of hire is defined as an oral or written agreement, reached by mutual consent, between the employer and worker regarding the terms and conditions of employment. Examples could include, but are not limited to, housing, meals, and commissions.

Intent of the Law
RCW 51.08.178

The intent of RCW 51.08.178 is to ensure that wages are computed in a fair and equitable manner. In addition, RCW 51.12.010 states "…This title shall be liberally construed for the purpose of reducing to a minimum the suffering and economic loss arising from injuries and/or death occurring in the course of employment."

RCW 51.08.178

Before calculating the worker's wage, first determine into which subsection of RCW 51.08.178 the worker's employment pattern falls.

Subsection 1: Regular and continuous employment
Most employment patterns fit under subsection 1 of the statute. Regular and continuous does not necessarily mean full time; it just means that whatever the worker's pattern, it occurs on a regular and continuous basis.

Subsection 2: Seasonal, Part-time, Intermittent
Workers fall under subsection 2 if the job has a definite start and stopping point or when the worker is entirely dependent upon the seasons.

The RCW has two additional subsections that may also apply:

Subsection 3: Bonuses paid by employer
Bonuses always apply when computing gross monthly wage, regardless of the work pattern.

Subsection 4: Using "like employee" wages
The "like employee" method is used when wages are not fixed, cannot be fairly determined, or there is not enough information to accurately determine the employee's regular work pattern.

Payroll Documentation

If a wage dispute is received, the department will ask the self-insurer to submit payroll records or other documentation that supports the calculation of wages. The department may also request additional information if payroll documents do not clearly reflect the provided calculations.

Clear information on wage calculations will help expedite a wage order request. For example:

- An explanation of payroll codes that are not clearly identified on payroll records.

- Adjustments made for a period of time that was excluded or adjustments to the representative period.

- Adjustments made for hours that were not included.

- Further explanation of minimally worked hours that were rolled into another rate of pay, if unable to explain on the SIF-5A. (See page 5 of the SIF-5A and Averaging Hours Per Month (for monthly wage – when there are multiple rates of pay) in this chapter.)

- A 3-year work history for subsection 2 workers (seasonal/part-time/intermittent). (See Computing Wages under Subsection 2 in this chapter.)

Wage orders will not be issued unless a dispute is received from the worker (WAC 296-15-425).

Exception: Wage orders are required for Social Security Offset, pension, or if there is a dispute regarding the amount of time-loss benefits paid due to the wage calculation.

Computing Wages Under Subsection 1
RCW 51.08.178(1)

Salaried Employee

Use this method when the employee earns a fixed monthly salary.

Example:
Ariel's hours and days worked varied greatly. She was not eligible for overtime, and regardless of how many hours she worked, she earned $4,700.00 per month.

Fill in this section of the SIF-5A form (page 3):

Salaried Employee		
Use this method when the employee earns a fixed monthly salary.	Monthly Salary = $4,700.00	
	Monthly Wage	
	Overtime hours should be calculated separately using averaging of hours.	

Note: For a salaried employee who is overtime eligible, overtime hours should be calculated separately at the regular rate of pay on page 4 under either the section "Averaging Hours Per Day" when the worker works the same number of days of overtime a week, or the section "Averaging Hours Per Month" when the overtime days worked varies.

Regularly Scheduled Hourly Employee – Including Minor Variations

Regularly scheduled means the employee works or is scheduled to work the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week, in a regular pattern.

Use this method when the employee has only one rate of pay and works a regular schedule with a minor variation. (To determine if the schedule has more than a minor variation, use the "Calculation of Minor Variation for a Regularly Scheduled Employee" section on the SIF-5A.)

Note: Overtime hours should be calculated separately on page 4 under either the section "Averaging Hours Per Day" when the worker works the same number of days of overtime each week, or the section "Averaging Hours Per Month" when the number of overtime days per week varies. Overtime should be calculated at the regular rate of pay.

Example:
Martha is a cashier who is paid $12.95 per hour and works 8 hours per day, 5 days per week.

$12.95 x 8 hours = $103.60 (daily wage)
$103.60 x 22 = $2,279.20 (gross monthly wage)

Fill in this section of the SIF-5A form (page 3):

Regularly Scheduled Hourly Employee - Including Minor Variations

Use this method when:	Number of days worked per week:			
• The injured worker had only one rate of pay, and	$12.95 **x**	8 **x**	22 **=**	$2,279.20
• Worked a regular schedule (can include a minor variation).	Hourly Rate	Hours per day	*Days per month	Monthly Wage
To determine if the regular schedule had a minor variation, complete the "Calculation of Minor Variation for Regularly Scheduled Employee - One Rate of Pay" section when the worker is paid at only one rate of pay.	*Days per month are defined by law and are based on the number of days worked per week.			

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

This is also applicable for regularly scheduled employees who work more or less than 40 hours per week.

Example:
Jim is a shelf stocker who is paid $11.85 per hour and works 6 hours per day, 3 days per week.

$11.85 x 6 hours = $71.10 (daily wage)
$71.10 x 13 = $924.30 (gross monthly wage)

Fill in this section of the SIF-5A form (page 3):

Regularly Scheduled Hourly Employee - Including Minor Variations

Use this method when:	Number of days worked per week:
• The injured worker had only one rate of pay, and • Worked a regular schedule (can include a minor variation).	$11.85 x 6 x 13 = $924.30 Hourly Rate Hours per day *Days per month Monthly Wage

*Days per month are defined by law and are based on the number of days worked per week.

To determine if the regular schedule had a minor variation, complete the "Calculation of Minor Variation for Regularly Scheduled Employee - One Rate of Pay" section **when the worker is paid at only one rate of pay.**

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

In the significant court decision *In Re: Maggie R. Stedman*, the court found that averaging hours worked per day pursuant to RCW 51.08.178(1) should only be used in limited circumstances. Minor variations in hours worked should be considered self-correcting rather than the norm when establishing the number of hours worked.

To determine if there is a minor variation, use this formula employing the same representative period used to calculate wages:

- If the variation is 10% or less – use regularly scheduled to calculate the monthly wage.

- If the variation is greater than 10% – use averaging to calculate the monthly wage.

Example:
Ken worked for a construction company; he normally worked 10 hours per day, 4 days per week, earning $27.75 an hour. Occasionally, he was sent home early due to weather conditions. In the 3 months prior to the date of injury, he was scheduled to work 528 hours, but due to weather conditions, he actually worked 498 hours.

Complete this section of the SIF-5A form (page 6):

Calculation of Minor Variation for a Regularly Scheduled Employee

If the variation is 10% or less, use regularly scheduled with a minor variation to calculate the monthly wage.	Scheduled Hours:	528.00
	Actual Hours Worked:	498.00

$$\underline{498.00} \div \underline{528.00} = \underline{0.94}$$

Actual Hours   Scheduled   Variation
Hours

Paid Vacation and Sick Leave should be included in the Actual Hours worked.

Do not include overtime hours in the "Actual hours worked."

$$\underline{1.00} - \underline{0.94} \times \underline{100} = \underline{6.00}$$

Variation   **% Variation**

If the variation is greater than 10%, use averaging to calculate the monthly wage.

Since a variation of 6.00% would be considered a minor variation, calculate Ken's wages using "Regularly Scheduled Hourly Employee – including minor variations" as shown:

Regularly Scheduled Hourly Employee - Including Minor Variations

Use this method when:

Number of days worked per week:

• The injured worker had only one rate of pay, and

• Worked a regular schedule (can include a minor variation).

$$\underline{\$27.75} \times \underline{10} \times \underline{18} = \underline{\$4,995.00}$$

Hourly Rate   Hours per day   *Days per month*   **Monthly Wage**

To determine if the regular schedule had a minor variation, complete the "Calculation of Minor Variation for Regularly Scheduled Employee - One Rate of Pay" section **when the worker is paid at only one rate of pay.**

Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

Representative Period Used for Averaging Hours

If the employee does not fit into one of the previous categories (Salaried or Regularly Scheduled Hourly), use the representative period and average hours. Hours should be averaged either per day or per month, depending on the variance in the employee's employment pattern.

The default representative period is 3 months immediately prior to the injury. When determining the specific dates to use for the representative period, use the following number of pay periods immediately prior to the date of injury to reach 3 months:

- For monthly payroll, use 3 full pay periods.

- For semi-monthly payroll, use 6 full pay periods.

- For bi-weekly payroll, use 6.5 pay periods.

- For weekly payroll, use 13 full pay periods.

If the 3-month default period is not representative of the worker's typical employment pattern, an alternate period may be used, such as 12 months. For bi-weekly payroll, 6 months (13 full payroll periods) is often easier to use than 3 months.

Complete this section of the SIF-5A form (page 4):

Representative Period Used for Averaging Hours - Only Required When Averaging Hours

Use 3 month default period, unless a different period better represents the employment pattern. For example, gaps, new job/schedule, or leave without pay may require use of longer or shorter representative periods.	From: 6/2/2013		To: 8/31/2013
	Reason the representative period was chosen:		
	☑	3 months* immediately prior to injury (default)	
	☐	6 months immediately prior to the injury (for bi-weekly payroll, use 13 full pay periods)	
	☐	12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)	
	☐	Other period. Explain:	

*When using a 3 month representative period, use the following number of pay periods:
- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours per Day

When a worker works the same number of days a week but the number of hours per days varies, their hours must be averaged per day. This only applies to workers with one rate of pay and any overtime hours should be included in the total. To establish the gross monthly wage, multiply the rate of pay by the average hours per day, then multiply by the number of days worked per month, using the formula in the statute.

Example:
Beth is a retail clerk who earns $10.75 per hour and works 4 days per week. The number of hours she works per day varies. Review of her payroll records shows that she worked 353.6 hours in the 3-month representative period prior to her injury.

353.6 hours ÷ 52 (# of days worked in period) = 6.80 (avg. hours per day)
$10.75 x 6.80 (avg. hours per day) x 18 = $1,315.80 (gross monthly wage)

Complete this section of the SIF-5A form (page 4):

Representative Period Used for Averaging Hours

If the employee does not fit into one of the above categories, choose a representative period in order to average hours. Hours will be averaged either per day or per month, depending on the amount of variance in the employee's employment pattern.	From: 6/2/2013		To: 8/31/2013
	Reason the representative period was chosen:		
	☑	3 months* immediately prior to injury (default)	
	☐	6 months immediately prior to the injury (for bi-weekly payroll use 13 full pay periods)	
	☐	12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)	
	☐	Other period. Explain:	

*When using a 3 month representative period, use the following number of pay periods:
- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

If Hourly:	Number of days worked per week:			
Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.				Use two decimal points when calculating average hours per day.
• Include overtime hours at the regular rate of pay.	353.6 ÷ 52 = 6.80			
• Include paid Vacation, Sick Leave, Holiday, Comp Time Earned and any paid leave.	Total hours worked in the period	# of days worked in the period	Average hours per day	Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.
• Do not include Comp Time Taken or leave without pay hours.	$10.75 x 6.80 x 18 = $1,315.80			
Note: Time ½ & Double-time may be separated rates of pay if earned outside normal overtime rules.	Hourly Rate	Average hours per day	*Days per month	Monthly Wage
If Salaried/Regularly Scheduled: Use to calculate overtime the same number of days per week. • Deduct Comp Time Taken from total overtime hours.	*Days per month are defined by law and are based on the number of days worked per week.			

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

Averaging Hours per Month – When Days Vary but There is Only One Rate of Pay

This method is used when the number of days worked per week varies, but the worker only earns one rate of pay.

Example:
Simon is a retail clerk who is paid $11.35 per hour. He works between 3 and 6 days per week. His payroll records show that he has worked 423 hours in the 3-month default period prior to the date of injury.

423 hours ÷ 3 months = 141 (avg. hours worked per month)
141 (avg. hours worked per month) x $11.35 (hourly rate) = $1,600.35 (gross monthly wage)

Complete this section of the SIF-5A form (page 4):

Averaging Hours Per Month (for monthly wage)									
If Hourly: Use this method when the number of days worked per week varies, but the worker is paid at only one rate of pay. **If Salaried/Regularly Scheduled:** Use to calculate overtime when worked at no set pattern. *See above section for hour details*	423	÷	3	=	141.00	x	$11.35	=	$1,600.35
	Total hours worked in the period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Averaging Hours per Month – When There are Multiple Rates of Pay

In the court decision *Fred Meyer Inc. v. Shearer*, the court found that shift differential is not overtime, but rather additional compensation for working undesirable hours. Shearer's wages were calculated as if she worked for two different employers.

Workers who receive an hourly rate different than the regular hourly rate of pay for working a certain shift, day of the week, having additional responsibilities, etc., are entitled to have that rate of pay included in their gross monthly wage.

If the hours worked at a given rate of pay average out to at least 8 hours per month, the rate will stand as a "qualified" rate of pay and cannot be rolled into any other rate of pay. If any rate of pay is less than 8 hours per month ("minimally worked hours"), it may be rolled up into the next **highest** "qualified" rate of pay. If no higher rate of pay is available, it may be rolled down to the next "qualified" rate of pay available.

Qualified Rate of Pay

A rate of pay with at least 8 average hours per month.

Minimally Worked Hours

A rate of pay that is less than 8 average hours per month.

Bundling or Rolling Rates: All or None

- If the choice to bundle rates is made, all rates with minimally worked hours should be rolled into a qualified rate.

- If the choice is to **not** bundle rates, then all rates of pay, no matter how little worked, should be shown in the calculations.

This method is for use when there are multiple rates of pay. For each pay period, provide the payroll codes/description of the pay types included in that rate.

Example #1:

Colton works a rotating shift at a shoe factory. He earns different rates of pay for the day shift, the swing shift, and the night shift.

In the 3 months prior to his date of injury, he worked a total of:

- 155 hours on the day shift at $14.00 an hour.

- 163 hours on the swing shift at $16.00 an hour.

- 210 hours on the night shift at $18.00.

Complete this section of the SIF-5A form (page 5):

Averaging Hours Per Month (for monthly wage - when there are multiple rates of pay)

Use this method when the worker is paid at more than one rate of pay.

For each rate of pay, provide the payroll codes/description of the pay types included in that rate.
- Include overtime hours at the regular rate of pay.
- Include paid Vacation, Sick Leave, Holiday, Comp Time Earned and any paid leave.
- Do not include Comp Time Taken or leave without pay hours.

Note: Time ½ & Double-time may be separate rates of pay if earned outside normal overtime rules

Qualified Rate of Pay
8 or more average hours per month; cannot be bundled into another rate.

Minimally Worked Hours
Less than 8 average hours per month; can be bundled into the next highest qualified rate. If no higher qualified rate, can be bundled down into the next qualified rate.
Note: When choosing to bundle, you must bundle all minimally worked rates. *Calculations must be provided to show how hours were bundled.*

If there are more than 5 rates of pay, attach additional pages to show how the preparer calculated the monthly wage for each additional rate of pay.

Hourly Rate # 1	Payroll code(s)/description: Day Shift					
	155 ÷ 3 = 51.67 x $14.00 = $723.38					
	Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate		Monthly wage for Rate #1
Hourly Rate # 2	Payroll code(s)/description: Swing Shift					
	163 ÷ 3 = 54.33 x $16.00 = $869.28					
	Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate		Monthly wage for Rate #2
Hourly Rate # 3	Payroll code(s)/description: Night Shift					
	210 ÷ 3 = 70.00 x $18.00 = $1,260.00					
	Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate		Monthly wage for Rate #3
Hourly Rate # 4	Payroll code(s)/description:					
	÷ 0.01 = 0.00 x = $0.00					
	Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate		Monthly wage for Rate #4
Hourly Rate # 5	Payroll code(s)/description:					
	÷ 0.01 = 0.00 x = $0.00					
	Total Hours	Number Months in Period	Average Hours per Month	Hourly Rate		Monthly wage for Rate #5

Total Monthly Wage	$723.38 + $869.28 + $1,260.00 + $0.00 +
	Monthly wage, rate #1 / Monthly wage, rate #2 / Monthly wage, rate #3 / Monthly wage, rate #4
	$0.00 + _____ = $2,852.66
	Monthly wage, rate #5 / Sum of monthly wage for pay rates #6 and up (from additional pages) / Total Monthly Wage

Example #2:

Julian is a nurse at a hospital; he works various shifts and earns several different rates of pay depending on the shift.

In the 3 months prior to his date of injury, he worked a total of:

- 121 hours on the regular day shift (203), at $24.00 an hour.

- 97 hours on the regular swing shift (207), at $31.00 an hour.

- 17 hours on the regular night shift (211), at $34.00 an hour.

- 4 hours at the regular day call back rate (401), at $37.00 an hour.

- 103 hours on the weekend day shift (303), at $35.00 an hour.

- 26 hours on the weekend swing shift (307), at $42.00 an hour.

- 49 hours on the weekend night shift (311), at $47.00 an hour.

Since the regular night shift (211) rate and the regular day call back rate (401) were minimally worked hours (they each averaged less than 8 hours per month), his employer chose to roll those hours into the next highest "qualified" rate of pay (rate that has at least 8 average hours per month).

The hours for the regular night shift rate (211) at $34.00 were rolled into the weekend day shift rate (303) at $35.00 per hour.

The hours for the regular day call back rate (401) at $37.00 were rolled into the weekend swing shift rate (307) at $42.00 per hour.

Fill in this section of the SIF-5A form (page 5):

Averaging Hours Per Month (for monthly wage - when there are multiple rates of pay)

		Payroll code(s)/description: Regular day shift (203)								
Use this method when the worker is paid at more than one rate of pay. For each rate of pay, provide the payroll codes/description of the pay types included in that rate. • Include overtime hours at the regular rate of pay. • Include paid Vacation, Sick Leave, Holiday, Comp Time Earned and any paid leave. • Do not include Comp Time Taken or leave without pay hours. **Note:** Time ½ & Double-time may be separate rates of pay if earned outside normal overtime rules	**Hourly Rate # 1**	121 Total Hours	÷	3 Number Months in Period	=	40.33 Average Hours per Month	x	$24.00 Hourly Rate	=	$967.92 Monthly wage for Rate #1
		Payroll code(s)/description: Regular swing shift (207)								
	Hourly Rate # 2	97 Total Hours	÷	3 Number Months in Period	=	32.33 Average Hours per Month	x	$31.00 Hourly Rate	=	$1,002.23 Monthly wage for Rate #2
		Payroll code(s)/description: Regulat night shift (211) & weekend day shift (303) ←								
Qualified Rate of Pay 8 or more average hours per month; cannot be bundled into another rate.	**Hourly Rate # 3**	120 Total Hours	÷	3 Number Months in Period	=	40.00 Average Hours per Month	x	$35.00 Hourly Rate	=	$1,400.00 Monthly wage for Rate #3
		Payroll code(s)/description: Regular day call back rate (401) & weekend swing shift (307) ←								
Minimally Worked Hours Less than 8 average hours per month; can be bundled into the next highest qualified rate. If no higher qualified rate, can be bundled down into the next qualified rate.	**Hourly Rate # 4**	30 Total Hours	÷	3 Number Months in Period	=	10.00 Average Hours per Month	x	$42.00 Hourly Rate	=	$420.00 Monthly wage for Rate #4
		Payroll code(s)/description: Weekend night shift (311)								
<u>Note: When choosing to bundle, you must bundle all minimally worked rates.</u> *Calculations must be provided to show how hours were bundled.*	**Hourly Rate # 5**	49 Total Hours	÷	3 Number Months in Period	=	16.33 Average Hours per Month	x	$47.00 Hourly Rate	=	$767.51 Monthly wage for Rate #5
If there are more than 5 rates of pay, attach additional pages to show how the preparer calculated the monthly wage for each additional rate of pay.	**Total Monthly Wage**	$967.92 Monthly wage, rate #1 + $1,002.23 Monthly wage, rate #2 + $1,400.00 Monthly wage, rate #3 + $420.00 Monthly wage, rate #4 + $767.51 Monthly wage, rate #5 + _____ Sum of monthly wage for pay rates #6 and up (from additional pages) = $4,557.66 Total Monthly Wage								

Non-Standard Wage

This section should be used when a worker is paid in a non-standard way (e.g., by the mile or trip, commission, piecework, etc.). For these workers, an average monthly wage will be used. Choose a representative period that reflects only the current rate(s) of pay (i.e. the rate(s) of pay in effect on the date of injury). Remember to exclude bonuses, which are added into the wage in another section of the form.

Example:

Juan is a truck driver who is paid by the mile. In the past 3 months, he earned a total of $10,976.00, excluding his bonuses. He is paid monthly.

Fill in this section of the SIF-5A form (page 6):

Non-Standard Wage	
Use this method when the worker is paid in a non-standard way, for example, by the mile or trip, or commission or piecework. For these workers, the monthly wage will be used. Choose a representative period that reflects only the current rate(s) of pay (i.e. the rate(s) of pay in effect on the date of injury). Exclude bonuses - Complete the "Bonuses - RCW 51.08.178(3)" worksheet if the employee received any bonuses.	Explain how the worker is paid, and at what "rate", if applicable: Worker is a truck driver paid .28¢ a mile and drove 39,200 miles during this period **Representative Period:** From: 3/1/2011 To: 5/31/2011 **Reason the representative period was chosen:** ☑ 3 months immediately prior to injury (default) ☐ 6 months immediately prior to the injury (for bi-weekly payroll, use 13 full pay periods) ☐ 12 months immediately prior to the injury (when 3 months doesn't fairly represent the wages) ☐ Other period. Explain: $10,976.00 ÷ 3 = $3,658.67 Total compensation for the representative period # of months in the representative period Monthly Wage

Overtime
WAC 296-14-530

If a worker has a consistent pattern of overtime, their gross monthly wage should take into account the overtime hours worked at their regular rate of pay, not at the overtime rate of pay.

For salaried and regularly scheduled hourly employees, overtime hours are calculated separately using averaging of hours for the overtime hours (see pages 3 and 4 of the SIF-5A).

- Use Averaging Hours per Day only when the worker has a consistent pattern of overtime the same number of days per week. This rarely occurs, because most workers do not work scheduled overtime the same number of days per week.

- Use Averaging Hours per Month when a worker has sporadic overtime which varies with no set pattern (e.g., a worker may work overtime one day one week, none the next, then 2 days the week following, skipping the next 2 weeks, etc.).

- Submit payroll records which show the overtime hours worked.

Example:

Barbara is a construction worker who makes $20.65 an hour. Her scheduled work week is 8 hours per day, 5 days per week. However, several days a month she works extra hours. She is paid time and a half for her overtime hours. A review of her payroll records show she worked 84 overtime hours in the representative 3-month period prior to her injury.

Fill in this section of the SIF-5A form (page 3):

Regularly Scheduled Hourly Employee - Including Minor Variations

Use this method when:	Number of days worked per week:
• The injured worker had only one rate of pay, and • Worked a regular schedule (can include a minor variation).	$20.65 **x** 8 **x** 22 **=** $3,634.40 *Hourly Rate* *Hours per day* **Days per month* *Monthly Wage*
To determine if the regular schedule had a minor variation, complete the "Calculation of Minor Variation for Regularly Scheduled Employee - One Rate of Pay" section **when the worker is paid at only one rate of pay.**	**Days per month are defined by law and are based on the number of days worked per week.*

*Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

If the injured worker worked a varying number of days per week or received multiple rates of pay, go to the "Representative Period Used for Averaging Hours" section.

"Regularly scheduled" means the injured worker works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern.

Overtime hours should be calculated separately using averaging of hours.

Calculate the overtime by completing this section of the SIF-5A form (page 4):

Averaging Hours Per Month (for monthly wage)

| If Hourly:
 Use this method when the number of days worked per week varies, but the worker is paid at only one rate of pay.
 If Salaried/Regularly Scheduled:
 Use to calculate overtime when worked at no set pattern.
 See above section for hour details | 84   **÷**   3   **=**   28.00   **x** $20.65   **=** $578.20
 Total hours worked in the period   *# of months in period*   *Average hours per month*   *Hourly Rate*   *Monthly Wage* |

For all other subsection 1 workers who do not work regularly scheduled hours per day or days per week, include the overtime hours in the total hours used to average hours by the day or month.

When a worker earns comp time (time off work granted in lieu of overtime pay), it is viewed as a deferred payment of overtime wages. Therefore, the hours worked to earn the comp time would be counted at the regular rate of pay (same as overtime) when averaging hours. Later, when the comp time is taken, those hours should be excluded from the worked hours.

Other Compensation, Tips, Gratuities, etc.
WAC 296-14-522

This section is where other types of compensation are entered; some are listed on the form, such as commission, housing/board, fuel, etc. Less common compensations such as longevity pay, education allowance, cash out of vacation leave, etc. will need to be explained. Any compensation listed in the section "Other (explain below)" should include an explanation (e.g., $55.00 per month for longevity pay).

Tips are considered wages only when the worker reports them to the employer for federal income tax purposes or when they are distributed by the employer to the employee.

Gratuities are mandatory service charges added to a customer's check by management. Similar to tips, they should be considered wages only if they are reported for federal income tax purposes or when they are distributed by the employer to the employee.

> **Note:** Fringe benefits are not included in the wage calculation. Payment for items other than board, housing, fuel, or other consideration of like nature made by the employer to a trust fund or other entity for fringe benefits do not constitute wages.

Fill in this section of the SIF-5A form:

Other Compensation			
Enter the monthly value for any type of compensation the injured worker may have received in addition to hourly wages or health care benefits.	Tips/Gratuities:	Driver Mileage:	
	Housing/Board:	Equipment/Clothing:	
	Fuel:	Driver pickup/delivery:	
	Commission:	Piecework:	
	Transportation:	Other (explain below):	$55.00
	Description of "other" wages:	Monthly longevity pay.	
	Total monthly value of other compensation:	$55.00	

Additional Jobs (Other Employers) – Subsection 1 Only

Use this section when a worker has more than one job at the time of injury. RCW 51.08.178 requires the insurer to include wages "from all employment at the time of injury." For any additional jobs, a wage calculation on the appropriate section of a **separate SIF-5A** form must

be completed. A full SIF-5A is not required for each additional job, only the pages used to calculate the wage. Attach the calculation of wages for the additional job(s) based on the employment pattern of that job (regularly scheduled, salaried, averaging of hours, etc.). All of the same issues considered in wages for the job of injury apply to wage calculations for additional jobs (other compensation [tips, mileage, etc.], health care benefits, bonuses etc.).

Fill in this section of the SIF-5A form to include the monthly wages of the additional job(s):

Additional Jobs (Other Employers) - for Regular and Continuous Employment RCW 51.08.178(1) only				
Include wages from all other employers at the time of injury.	Did the injured worker have more than one paying job at the time of injury? ☑ Yes ☐ No			
	If yes, complete the appropriate worksheet(s) for each job.			
	$325.00 +	$410.00 +	_____ =	$735.00 _____
	Monthly wage, additional Employer #1: (Enter Name)	Monthly wage, additional Employer #2: (Enter Name)	Monthly wage, additional Employer #3: (Enter Name)	Monthly wage for all additional jobs

Computing Wages Under Subsection 2
RCW 51.08.178(2)

In order for a worker's wage to be computed under subsection 2, the worker's relationship to the employer of injury must be exclusively seasonal in nature, or the worker's current employment or relationship to employment in general must be essentially part-time or intermittent. It is rare for a worker's wages to be calculated under subsection 2 due to a designation of part-time.

The monthly wage is determined by dividing by 12 the total wages earned, including overtime, from all employment in any 12 successive calendar months preceding the injury. If the 12 months prior to the injury is not representative of the worker's employment, select a period before the injury or occupation disease that is an appropriate representation.

The department recommends a 3-year work history be obtained from the worker showing all employment prior to the date of injury/occupational disease. The work history should include employer names, dates/periods of employment, and an explanation of any significant gaps in employment. Obtain documentation of gross wages, including overtime, for the entire period covered by the work history. Select a period of 12 consecutive months for averaging wages that fairly represents the worker's earning history, and explain why that period was chosen.

Part-Time

Part-time means the worker has **no set schedule or discernible pattern** and the hours spent at that employment are significantly less than the hours typically worked by others in the industry.

> **Example:**
> Charlotte is a retired department store employee. She fills in for employees who are out sick or on vacation when needed. In the twelve months prior to the date of her injury, she grossed a total of $3,235.00 from all employment.

$3,235.00 \div 12$ (months) = $269.58 (gross monthly wage)

Fill in this section of the SIF-5A (page 7) form:

Use this subsection ONLY for injured workers with a seasonal or intermittent schedule.
The monthly wage for seasonal/intermittent injured workers is determined by dividing by 12 the total wages paid to the worker - including overtime, but excluding bonuses - from all employment in any 12 successive calendar months preceding the injury. **Check the appropriate box to indicate that you have:**
☐ Sent a written request to the worker for all wages from all employment, including overtime, from 12 successive months preceding the date of injury, and have not received a response, OR
☐ Sent a written request to the worker for all wages from all employment, including overtime, from 12 successive months preceding the date of injury, and have included it in the wage calculation.

Period used for averaging wages:

From: 2/1/2012	To: 1/31/2013

Why was this period chosen?
It fairly represents the worker's pattern of employment. During 2013 she was off work due to an unrelated medical condition for 6 months and not available for work, so that period would not be appropriate.

Total wages include all monies paid to the worker during the period chosen, including wages for any additional jobs. (Exclude bonuses – Complete the "Bonuses - RCW 51.08.178(3)" worksheet if the worker received any bonuses.)	$3,235.00 ÷ 12 = $269.58
	Total Wages Months Monthly Wage

Intermittent

A worker's employment is intermittent when the pattern is not regular or continuous and has definite starting and stopping points.

Example:
Colleen is a college student who works at a retail store during spring and winter break; she has no other employment. In the twelve months prior to the date of her injury, she earned a total of $7,356.00 from all employment.

$7,356.00 \div 12$ (months) = $613.00 (gross monthly wage)

Fill in this section of the SIF-5A form (page 7):

> *Use this subsection ONLY for injured workers with a seasonal or intermittent schedule.*
>
> The monthly wage for seasonal/intermittent injured workers is determined by dividing by 12 the total wages paid to the worker - including overtime, but excluding bonuses - from all employment in any 12 successive calendar months preceding the injury. **Check the appropriate box to indicate that you have:**
>
> ☐ Sent a written request to the worker for all wages from all employment, including overtime, from 12 successive months preceding the date of injury, and have not received a response, OR
>
> ☐ Sent a written request to the worker for all wages from all employment, including overtime, from 12 successive months preceding the date of injury, and have included it in the wage calculation.

Period used for averaging wages:	
From: 4/15/2012	To: 4/14/2013
Why was this period chosen?	
It is representative of her employment for the past 2 years while she has been working here and going to college.	

Total wages include all monies paid to the worker during the period chosen, including wages for any additional jobs. (Exclude bonuses – Complete the "Bonuses - RCW 51.08.178(3)" worksheet if the worker received any bonuses.)	$7,356.00 *Total Wages*	÷	12 *Months*	=	**$613.00** ***Monthly Wage***

Employers should review a worker's intent to work when determining if the worker is part-time or intermittent. Their work pattern may appear irregular or non-continuous; however, if their intent was to secure full-time employment throughout the year, they are not an intermittent worker, and wages should be calculated under subsection 1. This often applies to union members, such as construction workers, because their work is interrupted only by job completion and unavoidable layoffs.

In the Supreme Court case *Dept. of L&I v. Avundes*, the Supreme Court held that Avundes was **not** an essentially part-time or intermittent employee, finding instead that he did general farm work and that such work was generally available during all seasons. Though his work history reflected an intermittent pattern (19 jobs in 14 months), Mr. Avundes was either working or looking for work, and it was his intent to secure full-time employment throughout the year.

The Court concluded that a worker should not be penalized because prior employment was irregular or not continuous. They stated, "…There is no logical reason why a claimant should be penalized solely because his prior employment was irregular or uncontinuous. Such a rule would be unfair to an employee who had worked a series of jobs before being injured, and it would shift the analysis away from the proper focus on the injured worker's lost earning capacity…" "…Avundes' intent was to work full-time and Avundes' work history showed a consistent pattern of working or looking for work…." "… We find the Court of Appeals correctly concluded subsection (1) applies to Avundes in determining his workers' compensation benefits."

School District Employees

School district employees whose contracts are for working less than year-round should have their wages calculated under subsection 2 as intermittent, because they have definite starting and stopping points (*School District No. 401 v. Minturn*). However, if the employee performs work year-round, such as maintenance work, wages should be calculated under subsection 1.

Seasonal

When determining whether a worker is seasonal, consider the worker's relationship to the employer. Exclusively seasonal means that the work the worker was hired to perform a job that can only be carried out during a particular time of year.

> **Example:**
> Tyler was injured harvesting apples for a farm. Harvesting apples was the only work he was hired to do by that farm. In the 12 months prior to the date of his injury, he grossed a total of $19,543.00 from all employment.
>
> $19,543.00 ÷ 12 (months) = $1,628.58 (gross monthly wage)

Fill in this section of the SIF-5A form (page 7):

Use this subsection ONLY for injured workers with a seasonal or intermittent schedule. The monthly wage for seasonal/intermittent injured workers is determined by dividing by 12 the total wages paid to the worker - including overtime, but excluding bonuses - from all employment in any 12 successive calendar months preceding the injury. **Check the appropriate box to indicate that you have:** ☐ Sent a written request to the worker for all wages from all employment, including overtime, from 12 successive months preceding the date of injury, and have not received a response, OR ☐ Sent a written request to the worker for all wages from all employment, including overtime, from 12 successive months preceding the date of injury, and have included it in the wage calculation.

Period used for averaging wages:	
From: 8/1/2011	To: 7/31/2012

Why was this period chosen?
It is the period immediately prior to the date of injury and seems to reflect his work pattern for the past 3 years based on his work history.

Total wages include all monies paid to the worker during the period chosen, including wages for any additional jobs. (Exclude bonuses – Complete the "Bonuses - RCW 51.08.178(3)" worksheet if the worker received any bonuses.)	$19,543.00 Total Wages	÷	12 Months	=	$1,628.58 Monthly Wage

Note: If Tyler had been injured harvesting apples, yet he also worked for the farm throughout the year performing general farm labor, his relationship to the employer would not be seasonal and his wages would be calculated under subsection 1. (See *Double D Hop Ranch v. Sanchez.*)

Calculating Wages under Subsection 4
RCW 51.08.178(4)

"Like" Employees

If a worker does not have a regular, set schedule and has not worked long enough to establish a pattern, the monthly wage shall be computed on the basis of the usual wage paid other employees engaged in " like" or similar occupations where the wages are fixed.

Review more than one "like" employee to ensure a fair representation of the employee's wage. (It is recommend that at least 3 individual "like" employees are reviewed.) Use a similar time period for each employee reviewed.

> **Example:**
> Conner started working as a bagger for a grocery store on June 2nd. He was told he would be earning $11.35 per hour and his days and hours would vary depending on store need. On June 10th, he slipped on a wet floor, falling and breaking his leg.

To determine the gross monthly wage, review the pattern of employment for other "like" employees. There are several baggers working for the same store; pick 3 that were hired to work schedules similar to Conner.

After reviewing payroll records, it was determined that the 3 consecutive months prior to Conner's date of injury were a fair representation of the work pattern. In those 3 months:

- "Like" employee #1 worked 288 hours.

- "Like" employee #2 worked 294 hours.

- "Like" employee #3 worked 301 hours.

Choose one of the "like" employees. In this case, #2 is appropriate since it appears that there is not a large discrepancy between the hours and is likely a good representation of the hours Conner would be working.

Fill in this section of the SIF-5A form (page 9):

Use this subsection to calculate the monthly wage where a wage has not been fixed or cannot be reasonably and fairly determined. The wage will be calculated on the basis of the usual wage paid other employees engaged in like or similar occupations where the wages are fixed.

Review more than 1 "like" employee to ensure a fair representation of the injured worker's wage. (We recommend you review at least 3 individual "like" employees.) Use a similar time period for each employee reviewed.

Explain why the injured worker's wages cannot be reasonably and fairly determined based on their own employment record:

Conner was hired to work a varied schedule and had only been working a few days when he was injured.

For each "like" employee reviewed, provide the "like" employee's job title. For privacy, don't include the "like" employees' names:

"Like" Employee #1's Job Title:	Grocery store bagger
"Like" Employee #2's Job Title:	Grocery store bagger
"Like" Employee #3's Job Title:	Grocery store bagger

For each "like" employee above, complete and attach the appropriate Wage Calculation Form(s) and the Total Monthly Wage Summary form, using the "like" employee's employment pattern.

Which "like" employee has been chosen as the basis for the employee's monthly wage?
#2

Why did you choose this "like" employee?
There was not a large discrepancy between the hours of the three. #2 was in the middle and is likely a good representation of the hours Conner would have been working.

The calculation sheets must also be submitted for all of the "like" employees.

Injured Worker Name:	Like employee #1	Claim Number:	0		Date of Injury:	1/0/1900

Representative Period Used for Averaging Hours - Only Required When Averaging Hours

Use 3 month default period, unless a different period better represents the employment pattern. For example, gaps, new job/schedule, or leave without pay may require use of longer or shorter representative periods.	From: 3/3/2013		To: 6/1/2013

Reason the representative period was chosen:

- ☑ 3 months* immediately prior to injury (default)
- ☐ 6 months immediately prior to the injury (for bi-weekly payroll, use 13 full pay periods)
- ☐ 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)
- ☐ Other period. Explain:

*When using a 3 month representative period, use the following number of pay periods:

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

If Hourly:
Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.
- Include overtime hours at the regular rate of pay.
- Include paid Vacation, Sick Leave, Holiday, Comp Time Earned and any paid leave.
- Do not include Comp Time Taken or leave without pay hours.
Note: Time ½ & Double-time may be separated rates of pay if earned outside normal overtime rules.
If Salaried/Regularly Scheduled:
Use to calculate overtime the same number of days per week.
- Deduct Comp Time Taken from total overtime hours.

Number of days worked per week:

	÷		=		Use two decimal points when calculating average hours per day.
		0.1		0.00	
Total hours worked in the period		# of days worked in the period		Average hours per day	Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.
	x	0.00	x		= $0.00
Hourly Rate		Average hours per day		*Days per month	Monthly Wage

*Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

Averaging Hours Per Month (for monthly wage)

If Hourly:
Use this method when the number of days worked per week varies, but the worker is paid at only one rate of pay.
If Salaried/Regularly Scheduled:
Use to calculate overtime when worked at no set pattern.
See above section for hour details

288	÷	3	=	96.00	x	$11.35	=	$1,089.60
Total hours worked in the period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Injured Worker Name:	Like employee #2	Claim Number:	0	Date of Injury:	1/0/1900

Representative Period Used for Averaging Hours - Only Required When Averaging Hours

Use 3 month default period, unless a different period better represents the employment pattern. For example, gaps, new job/schedule, or leave without pay may require use of longer or shorter representative periods.

From:	3/3/2013	To:	6/1/2013

Reason the representative period was chosen:

- ☑ 3 months* immediately prior to injury (default)
- ☐ 6 months immediately prior to the injury (for bi-weekly payroll, use 13 full pay periods)
- ☐ 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)
- ☐ Other period. Explain:

*When using a 3 month representative period, use the following number of pay periods:

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

If Hourly:
Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.
- *Include overtime hours at the regular rate of pay.*
- *Include paid Vacation, Sick Leave, Holiday, Comp Time Earned and any paid leave.*
- *Do not include Comp Time Taken or leave without pay hours.*

Note: Time ½ & Double-time may be separated rates of pay if earned outside normal overtime rules.

If Salaried/Regularly Scheduled:
Use to calculate overtime the same number of days per week.
- *Deduct Comp Time Taken from total overtime hours.*

Number of days worked per week:

	÷		=	
		0.1		0.00
Total hours worked in the period		# of days worked in the period		Average hours per day

Use two decimal points when calculating average hours per day.

Rounding:
Numbers ending in 0-4 should be rounded down.
Numbers ending in 5-9 should be rounded up.

	x		x		=	
		0.00				$0.00
Hourly Rate		Average hours per day		*Days per month		Monthly Wage

Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

Averaging Hours Per Month (for monthly wage)

If Hourly:
Use this method when the number of days worked per week varies, but the worker is paid at only one rate of pay.

If Salaried/Regularly Scheduled:
Use to calculate overtime when worked at no set pattern.
See above section for hour details

	÷		=		x		=	
294		3		98.00		$11.35		$1,112.30
Total hours worked in the period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Injured Worker Name:	Like employee #3	Claim Number:	0		Date of Injury:	1/0/1900

Representative Period Used for Averaging Hours - Only Required When Averaging Hours

Use 3 month default period, unless a different period better represents the employment pattern. For example, gaps, new job/schedule, or leave without pay may require use of longer or shorter representative periods.	From: 3/3/2013		To: 6/1/2013

Reason the representative period was chosen:

☑ 3 months* immediately prior to injury (default)

☐ 6 months immediately prior to the injury (for bi-weekly payroll, use 13 full pay periods)

☐ 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)

☐ Other period. Explain:

*When using a 3 month representative period, use the following number of pay periods:
- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

If Hourly:
Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.
- *Include overtime hours at the regular rate of pay.*
- *Include paid Vacation, Sick Leave, Holiday, Comp Time Earned and any paid leave.*
- *Do not include Comp Time Taken or leave without pay hours.*
Note: Time ½ & Double-time may be separated rates of pay if earned outside normal overtime rules.
If Salaried/Regularly Scheduled:
Use to calculate overtime the same number of days per week.
- *Deduct Comp Time Taken from total overtime hours.*

Number of days worked per week:

Total hours worked in the period	÷	# of days worked in the period	=	Average hours per day
		0.1		0.00

Use two decimal points when calculating average hours per day.

Rounding:
Numbers ending in 0-4 should be rounded down.
Numbers ending in 5-9 should be rounded up.

Hourly Rate	x	Average hours per day	x	*Days per month	=	Monthly Wage
		0.00				$0.00

Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

Averaging Hours Per Month (for monthly wage)

If Hourly:
Use this method when the number of days worked per week varies, but the worker is paid at only one rate of pay.
If Salaried/Regularly Scheduled:
Use to calculate overtime when worked at no set pattern.
See above section for hour details

Total hours worked in the period	÷	# of months in period	=	Average hours per month	x	Hourly Rate	=	Monthly Wage
301		3		100.33		$11.35		$1,138.75

Computing Bonuses – Subsection 3
RCW 51.08.178(3), WAC 296-14-522

Bonuses paid by the **employer of injury** are included in the calculation of wages if they were received by the worker in the 12 months immediately preceding the date of injury or manifestation. The monthly value of the bonus is calculated by dividing all bonuses paid during that period by 12.

Example:
Shane works for an airplane manufacturing company. He sustains an injury on January 8th. In the previous month, Shane had received a $7,800.00 year-end production bonus.

$7,800.00 (bonus) ÷ 12 months = $650.00 (average monthly value of bonus)

Fill in this section of the SIF-5A form (page 8):

Use this subsection if the injured worker received any bonuses in the 12 months prior to the date of injury.

"Bonuses" include any additional monetary payment in relation to the worker's contribution to the employer.

Bonuses may include incentive pay, safety bonuses, anniversary pay, and more.

What was the amount of total bonuses?	What kind of bonus was it (incentive pay, safety bonus, etc.)?
$7,800.00	Year-end production bonus

$7,800.00	÷	12	=	$650.00
Total bonus amount in last 12 months		Months		Monthly Value of Bonuses

Health Care Benefits
RCW 51.08.178, WAC 296-14-524, WAC 296-14-528

In the *Cockle v. Dept. of L&I* decision, the Supreme Court held that the value of employer-provided health care benefits is another type of compensation which must be included when computing wages. The amount of the employer's actual contribution on the date of injury to medical, dental, and/or vision coverage for the worker and all other persons covered on the worker's policy must be included.

For any benefit period that the employer continues their contribution toward health care benefits at the same rate as they did on the date of injury, the contribution amount will not be included in the calculation for gross monthly wages when paying time-loss benefits. When the employer stops contributing towards health care benefits, the amount of the employer contribution should be included in the gross monthly wage, even if the worker has not lost health care coverage due to a banked hours system, family medical leave act, etc. *(Dept. of L&I v. Granger)*.

Example:
Anthony was injured on October 21, 2010; he was off work from the date of injury through December 15, 2010. At the time of his injury, he was earning $4,800.00 per month and his employer was contributing $620.00 per month towards his health care benefits. The employer did not contribute to his union health care benefits after the date of injury, but due to his banked hours, he never lost access his health care benefits. Since his employer stopped their contributions to his health care benefits immediately, his gross monthly wage for his time-loss calculation for the day after the injury would be $5,420.00 ($4,800.00 + $620.00).

The monthly amount of an employer's contribution to health care benefits is determined by whether the employer pays:

- A set amount for the month, or

- An hourly contribution for hours worked.

Example:
If the employer contributes $3.50 per hour to a union health care benefit, and the worker averaged 196 hours per month during the representative period, the health care benefit would be calculated as follows: 196 hours x $3.50 per hour = $686.00 per month

Employers who contribute to health care benefits for their workers are required to calculate two gross monthly wages on each claim: one wage that includes the value of the employer's contribution to health care benefits, and one that does not.

Example:
Angela is a supervisor with a monthly salary of $3,800.00. In addition to her salary, her employer contributes $300.00 per month for medical, dental, and vision coverage for Angela and her family.

Gross monthly wage at the time of injury:

Excluding the value of health care benefits: $3,800.00
(This is the gross monthly wage which will be used as long as the employer continues to contribute to health care benefits.)

Including the value of health care benefits: $3,800.00 + $300.00 = $4,100.00
(This is the gross monthly wage which will be used if the employer stops contributing to health care benefits.)

If an employer stops contributing to different benefits at different times, then it will be necessary to compute more than two wages. For example, if the employer stops contributing towards dental but continues their contribution for medical benefits, at that point the value of the dental contribution would be included as part of the gross monthly wage. If the employer later ceases to contribute towards medical benefits, the value of that contribution would then be included into the gross monthly wage also.

Example:
Shayla is a secretary with a monthly salary of $4,200.00. In addition to her salary, the employer contributes $250.00 per month for medical and $100.00 per month for dental coverage for Shayla and her family.

Gross monthly wage at the time of injury:

Excluding the value of health and dental care: $4,200.00
(This is the gross monthly wage which will be used as long as the employer continues to contribute to health and dental benefits.)

Including the value of dental benefits: $4,200.00 + $100.00 = $4,300.00
(This is the gross monthly wage which will be used if the employer stops contributing to dental benefits but continues to contribute to health care benefits.)

Including the value of dental and health care benefits:
$4,200.00 + $250.00 + 100.00 = $4,550.00
(This is the gross monthly wage which will be used if the employer stops contributing to dental and health benefits.)

Wage Calculation Examples

Example 1:

On April 5, 2013, Colby injured his back lifting a computer at work. At the time of his injury, he was working 8 hours per day, Monday through Friday, and earning $27.50 per hour. He also had a part-time job on the weekend earning $400.00 per month. His employer contributed $525.00 per month to his health care benefits. He was married and had 2 dependents under the age of 18.

Department of Labor and Industries
Self-Insurance Section
PO Box 44892
Olympia, WA 98504-4892

Total Monthly Wage Calculations
SIF-5A Form

Wage calculation cover sheet: Use applicable following subsections to autofill parts of this summary form.

Injured Worker Name:	Colby	Claim Number:	S123456		
Date of Injury:	4/5/2013	Employer Name:	Helpful Hints Computer Tips		
Date Form(s) Completed:	4/15/2013				
Prepared By:	Cathy, Claim Manager	Preparer Phone:	360-555-5555	Ext.	450

Wage Order

Are you requesting a wage order at this time?	☐ Yes	☑ No

Bonuses

If the injured worker received any bonuses, go to the Bonuses - RCW 51.08.178(3) worksheet to complete this section.	**Monthly Value of Bonuses:**	$0.00

Health Care Benefits

Complete this section if the employer contributed at the time of injury.	Monthly contribution to **medical** benefits:	$525.00	Date contribution has/will end:	12/31/2013
	Monthly contribution to **dental** benefits:		Date contribution has/will end:	
	Monthly contribution to **vision** benefits:		Date contribution has/will end:	
	Monthly contribution to health care benefits:	$525.00		

Other Compensation

Enter the monthly value for any type of compensation the injured worker may have received in addition to hourly wages or health care benefits.	Tips/Gratuities:		Driver Mileage:	
	Housing/Board:		Equipment/Clothing:	
	Fuel:		Driver pickup/delivery:	
	Commission:		Piecework:	
	Transportation:		Other (explain below):	
	Description of "other" wages:			
	Total monthly value of other compensation:	$0.00		

Additional Jobs (Other Employers) - for Regular and Continuous Employment RCW 51.08.178(1) only

	Did the injured worker have more than one paying job at the time of injury?	☑ Yes	☐ No
	If yes, complete the appropriate worksheet(s) for each job.		
Include wages from all other employers at the time of injury.	$400.00 + _____ + _____ = $400.00		
	Monthly wage, additional Employer #1: C&C Landscaping	Monthly wage, additional Employer #2: (Enter Name)	Monthly wage, additional Employer #3: (Enter Name)	**Monthly wage for all additional jobs**

Total Monthly Wage - (this is the basis for worker's compensation payment; it is not the benefit amount.)

$4,840.00 +	$0.00 +	$0.00 +	$400.00 =	$5,240.00 +	$525.00 =	$5,765.00
Monthly Wage for Job of Injury	Monthly Value of Bonuses	Monthly Value of Other Compensation	Monthly Wage for All Additional Jobs	**Sub - Total of Monthly Wage**	Monthly Value of Health Care Benefits	**TOTAL MONTHLY WAGE**

Time-Loss Compensation Rate Calculation

Date of Injury:	4/5/2013

Marital/Domestic Partnership and Dependent status at date of injury:	☐ Single, Divorced or Widowed	☑ Married, Separated or Domestic Partnership
	Number of eligible dependents on date of injury:	2

Time-Loss Compensation Rate, Excluding Health Care Benefits This rate will apply while the employer(s) continues to contribute to health care benefits.	$5,240.00 Sub - Total of Monthly Wage	x	69% % based on marital/ dependent status	=	$3,615.60 *Monthly TL Compensation Rate	÷	30 Days per month	=	$120.52 *Daily TL Compensation Rate

*The monthly/daily rate must never exceed the maximum or fall below the minimum rates allowed by law (RCW 51.32.090).

Does the rate above exceed the maximum?
☐ Yes ☑ No

Does the rate above fall below the minimum?
☐ Yes ☑ No

If yes, what is the maximum (or minimum) daily rate?	

Time-Loss Compensation Rate, Including Health Care Benefits This rate will apply when the employer(s) stops contributing to the health care benefits.	$5,765.00 Total Monthly Wage	x	69% % based on marital / dependents status	=	$3,977.85 *Monthly TL Compensation Rate	÷	30 Days per month	=	$132.60 *Daily TL Compensation Rate

*The monthly/daily rate must never exceed the maximum or fall below the minimum rates allowed by law (RCW 51.32.090).

Does the rate above exceed the maximum?
☐ Yes ☑ No

Does the rate above fall below the minimum?
☐ Yes ☑ No

If yes, what is the maximum (or minimum) daily rate?	

The rates above are based on earnings on the date of injury/manifestation and may increase or decrease. Examples could include:

- Dependent Status
- Cost of Living Adjustments
- Health Care Benefit Changes

| Injured Worker Name | Colby | Claim Number: | S123456 | Date of Injury: | 4/5/2013 |

To get started: Determine the appropriate employment pattern for the injured worker, and then complete one of the following worksheets:

- Regular and Continuous Employment - RCW 51.08.178(1) *Default Category*
- Seasonal or Intermittent Employment - RCW 51.08.178(2)
- "Like" or Similar Employment - RCW 51.08.178(4)

Choose the method that most closely represents the employment pattern for the injured worker, and attach the corresponding payroll documentation.

Salaried Employee

Use this method when the injured worker earns a fixed monthly salary.	Monthly Salary = _____ **Monthly Wage** *Overtime hours should be calculated separately using averaging of hours.*

Regularly Scheduled Hourly Employee - Including Minor Variations

Use this method when:	Number of days worked per week:
• The injured worker had only one rate of pay, and • Worked a regular schedule (can include a minor variation). To determine if the regular schedule had a minor variation, complete the "Calculation of Minor Variation for Regularly Scheduled Employee - One Rate of Pay" section **when the worker is paid at only one rate of pay.** If the injured worker worked a varying number of days per week or received multiple rates of pay, go to the "Representative Period Used for Averaging Hours" section.	$27.50 x 8 x 22 = $4,840.00 Hourly Rate Hours per day *Days per month **Monthly Wage** *Days per month are defined by law and are based on the number of days worked per week.* <table><tr><th>Days worked per week</th><th>Days per month</th></tr><tr><td>1</td><td>5</td></tr><tr><td>2</td><td>9</td></tr><tr><td>3</td><td>13</td></tr><tr><td>4</td><td>18</td></tr><tr><td>5</td><td>22</td></tr><tr><td>6</td><td>26</td></tr><tr><td>7</td><td>30</td></tr></table> *"Regularly scheduled"* means the injured worker works the same schedule on each day of the week, all the time, or works the same number of hours per day and days per week in a regular pattern. *Overtime hours should be calculated separately using averaging of hours.*

For any additional jobs, a wage calculation on the appropriate section of a **separate SIF-5A** form should be completed. The full SIF-5A is not required for the additional job; only complete the portion used to calculate the wages. For this example, Colby's hours and days varied during the month for his other job. He worked 96 hours in the representative period. His wages for that job were calculated using the "Averaging Hours Per Month" section, and the representative period was 3 months prior to the injury.

Representative Period Used for Averaging Hours - Only Required When Averaging Hours

Use 3 month default period, unless a different period better represents the employment pattern. For example, gaps, new job/schedule, or leave without pay may require use of longer or shorter representative periods.	From: 1/1/2013	To: 3/31/2013
	Reason the representative period was chosen:	
	☑ 3 months* immediately prior to injury (default)	
	☐ 6 months immediately prior to the injury (for bi-weekly payroll, use 13 full pay periods)	
	☐ 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)	
	☐ Other period. Explain:	

*When using a 3 month representative period, use the following number of pay periods:

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

If Hourly:	Number of days worked per week:		

If Hourly:
Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.
- *Include overtime hours at the regular rate of pay.*
- *Include paid Vacation, Sick Leave, Holiday, Comp Time Earned and any paid leave.*
- *Do not include Comp Time Taken or leave without pay hours.*

Note: Time ½ & Double-time may be separated rates of pay if earned outside normal overtime rules.

If Salaried/Regularly Scheduled:
Use to calculate overtime the same number of days per week.
- *Deduct Comp Time Taken from total overtime hours.*

	÷	0.01	=	0.00	*Use two decimal points when calculating average hours per day.*
Total hours worked in the period		# of days worked in the period		Average hours per day	*Rounding: Numbers ending in 0-4 should be rounded down. Numbers ending in 5-9 should be rounded up.*
	x	0.00	x	= $0.00	
Hourly Rate		Average hours per day	*Days per month	Monthly Wage	

Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30

Averaging Hours Per Month (for monthly wage)

If Hourly:
Use this method when the number of days worked per week varies, but the worker is paid at only one rate of pay.
If Salaried/Regularly Scheduled:
Use to calculate overtime when worked at no set pattern.
See above section for hour

96	÷	3	=	32.00	x	$12.50	=	$400.00
Total hours worked in the period		# of months in period		Average hours per month		Hourly Rate		Monthly Wage

Example 2:

Kristen was injured at work on May 2, 2013. At the time of her injury, she was working 5 days per week, but her hours varied. Her employer contributed $867.00 per month to her health care benefits. Kristin was single with 3 dependent children under the age of 18. In the 3 months prior to her injury, she worked 546 hours, earning $22.97 per hour.

Department of Labor and Industries
Self-Insurance Section
PO Box 44892
Olympia, WA 98504-4892

Total Monthly Wage Calculations
SIF-5A Form

Wage calculation cover sheet: Use applicable following subsections to autofill parts of this summary form.

Injured Worker Name:	Kristen	Claim Number:	S123456
Date of Injury:	5/2/2013	Employer Name:	Super Plus Plumbing
Date Form(s) Completed:	5/4/2013		
Prepared By:	Cathy, Claims Manager	Preparer Phone:	360-555-5555 Ext. 250

Wage Order

Are you requesting a wage order at this time?	☑ Yes ☐ No

Bonuses

If the injured worker received any bonuses, go to the Bonuses - RCW 51.08.178(3) worksheet to complete this section.	Monthly Value of Bonuses:	$0.00

Health Care Benefits

Complete this section if the employer contributed at the time of injury.	Monthly contribution to **medical** benefits:	$867.00	Date contribution has/will end:	5/4/2014
	Monthly contribution to **dental** benefits:		Date contribution has/will end:	
	Monthly contribution to **vision** benefits:		Date contribution has/will end:	
	Monthly contribution to health care benefits:	$867.00		

Other Compensation

Enter the monthly value for any type of compensation the injured worker may have received in addition to hourly wages or health care benefits.	Tips/Gratuities:		Driver Mileage:	
	Housing/Board:		Equipment/Clothing:	
	Fuel:		Driver pickup/delivery:	
	Commission:		Piecework:	
	Transportation:		Other (explain below):	
	Description of "other" wages:			
	Total monthly value of other compensation:	$0.00		

Additional Jobs (Other Employers) - for Regular and Continuous Employment RCW 51.08.178(1) only

	Did the injured worker have more than one paying job at the time of injury?	☐ Yes ☑ No
	If yes, complete the appropriate worksheet(s) for each job.	

Include wages from all other employers at the time of injury.	_____ +	_____ +	_____ =	$0.00
	Monthly wage, additional Employer #1: (Enter Name)	Monthly wage, additional Employer #2: (Enter Name)	Monthly wage, additional Employer #3: (Enter Name)	**Monthly wage for all additional jobs**

Total Monthly Wage - (this is the basis for worker's compensation payment; it is not the benefit amount.)

$4,244.90 +	$0.00 +	$0.00 +	$0.00 =	$4,244.90 +	$867.00 =	$5,111.90
Monthly Wage for Job of Injury	Monthly Value of Bonuses	Monthly Value of Other Compensation	Monthly Wage for All Additional Jobs	**Sub - Total of Monthly Wage**	Monthly Value of Health Care Benefits	**TOTAL MONTHLY WAGE**

Time-Loss Compensation Rate Calculation

Date of Injury: 5/2/2013

Marital/Domestic Partnership and Dependent status at date of injury:	☑ Single, Divorced or Widowed	☐ Married, Separated or Domestic Partnership
	Number of eligible dependents on date of injury:	3

Time-Loss Compensation Rate, Excluding Health Care Benefits This rate will apply while the employer(s) continues to contribute to health care benefits.	$4,244.90 **x** 66% **=** $2,801.63 **÷** 30 **=** $93.39 Sub - Total of Monthly Wage / % based on marital/ dependent status / *Monthly TL Compensation Rate / Days per month / *Daily TL Compensation Rate *The monthly/daily rate must never exceed the maximum or fall below the minimum rates allowed by law (RCW 51.32.090). Does the rate above exceed the maximum? ☐ Yes ☑ No Does the rate above fall below the minimum? ☐ Yes ☑ No	
	If yes, what is the maximum (or minimum) daily rate?	
Time-Loss Compensation Rate, Including Health Care Benefits This rate will apply when the employer(s) stops contributing to the health care benefits.	$5,111.90 **x** 66% **=** $3,373.85 **÷** 30 **=** $112.46 Total Monthly Wage / % based on marital / dependents status / *Monthly TL Compensation Rate / Days per month / *Daily TL Compensation Rate *The monthly/daily rate must never exceed the maximum or fall below the minimum rates allowed by law (RCW 51.32.090). Does the rate above exceed the maximum? ☐ Yes ☑ No Does the rate above fall below the minimum? ☐ Yes ☑ No	
	If yes, what is the maximum (or minimum) daily rate?	

The rates above are based on earnings on the date of injury/manifestation and may increase or decrease. Examples could include:

- Dependent Status
- Cost of Living Adjustments
- Health Care Benefit Changes

Representative Period Used for Averaging Hours - Only Required When Averaging Hours

Use 3 month default period, unless a different period better represents the employment pattern. For example, gaps, new job/schedule, or leave without pay may require use of longer or shorter representative periods.	From:	1/27/2013		To:	4/26/2013

Reason the representative period was chosen:

- [✔] 3 months* immediately prior to injury (default)
- [ ] 6 months immediately prior to the injury (for bi-weekly payroll, use 13 full pay periods)
- [ ] 12 months immediately prior to the injury (when 3 months doesn't fairly represent the employment pattern)
- [ ] Other period. Explain:

*When using a 3 month representative period, use the following number of pay periods:

- For monthly payroll, use 3 full pay periods.
- For semi-monthly payroll, use 6 full pay periods.
- For bi-weekly payroll, use 6.5 pay periods.
- For weekly payroll, use 13 full pay periods.

Averaging Hours Per Day (for daily wage - when hours vary but there is only one rate of pay)

If Hourly:
Use this method when the number of days worked per week does not vary, but the number of hours worked per day does vary.
- Include overtime hours at the regular rate of pay.
- Include paid Vacation, Sick Leave, Holiday, Comp Time Earned and any paid leave.
- Do not include Comp Time Taken or leave without pay hours.
Note: Time ½ & Double-time may be separated rates of pay if earned outside normal overtime rules.

If Salaried/Regularly Scheduled:
Use to calculate overtime the same number of days per week.
- Deduct Comp Time Taken from total overtime hours.

Number of days worked per week:

546	÷	65	=	8.40
Total hours worked in the period		# of days worked in the period		Average hours per day

$22.97	x	8.40	x	22	=	$4,244.90
Hourly Rate		Average hours per day		*Days per month		Monthly Wage

Use two decimal points when calculating average hours per day.

Rounding:
Numbers ending in 0-4 should be rounded down.
Numbers ending in 5-9 should be rounded up.

*Days per month are defined by law and are based on the number of days worked per week.

Days worked per week	Days per month
1	5
2	9
3	13
4	18
5	22
6	26
7	30