Workers’ Compensation Glossary of Terms

There are many different acronyms used in workers’ compensation insurance policies and laws. Below we spell out and define the most common acronyms:

- **Average Daily Wage (ADW):** The ADW is a calculation of an injured employee’s average daily earnings and is sometimes used to determine entitlement to wage loss benefits following an injury, particularly where the Average Weekly Wage (AWW) would not be an accurate representation of the employee’s earnings.

- **Average Weekly Wage (AWW):** The AWW is another method that may be used in calculating entitlement to wage loss benefits. The average earnings, by week, for a fixed period of time are calculated and wage loss benefits are computed according to that amount.

- **Independent Medical Examination (IME):** In some situations, an employer or insurance company may want to have an injured employee seen by a particular physician to obtain an objective evaluation of the employee’s health. An employee may initially be seen by a company physician, or a physician of their own choosing. However, if a concern or dispute arises over the extent of the employee’s injuries or whether the employee has any injury at all, the insurer may be entitled to require the employee to appear for an IME with a physician of its choosing.

- **Permanent Partial Disability (PPD):** PPD benefits are payable, in most jurisdictions, to an employee who has sustained a permanent, but not total disability. Many state statutes have predetermined valuations for a host of different PPD injuries involving specific body parts or conditions.

- **Permanent Total Disability (PTD):** PTD benefits are available if an injured employee is permanently and totally disabled from work.
• **Physical Therapy (PT):** Many injured employees are entitled to receive physical therapy as a form of medical treatment to recover from work-related injuries. On forms, or in medical records, you may see a reference to “PT.” That is short for “physical therapy.”

• **Social Security Disability Insurance (SSDI):** SSDI benefits are payable to disabled individuals through the Social Security Administration. Many state workers’ compensation statutes have specific provisions that dictate whether an injured employee may receive both workers’ compensation benefits and SSDI benefits at the same time. Generally, if both benefits are appropriate for the same individual, a complex calculation will be performed to “offset” the benefits so that the individual does not receive more money than they are entitled to from both programs.

• **Statewide Average Weekly Wage (SAWW):** The statewide average weekly wage is a computation of average wages paid to workers in a jurisdiction for a set period of time. It is generally used to calculate the minimum, and maximum, amounts of workers’ compensation benefits that an injured employee will be entitled to receive.

• **Temporary Partial Disability (TPD):** TPD benefits are payable when an injured employee is able to work despite their injury, although at a reduced rate. The benefits are available only for a limited period of time, in recognition of the fact that the employee will recover fully in the future and will be able to resume full employment without a wage diminution.

• **Temporary Total Disability (TTD):** TTD benefits are available to employees whose injuries leave them totally unable to work for a period of time. The benefits are no longer payable when the “temporary” disability clears and the employee is able to resume working. In some states, if the employee is able to return to work at partial hours or at a wage decrease while their disability clears, (s)he may be entitled to payment of TPD benefits after receiving TTD benefits.

• **Vocational Rehabilitation (VR):** Vocational rehabilitation generally includes a variety of services that are offered to injured employees to help them return to work following a work injury. Vocational rehabilitation may involve transferable skills assessments, educational courses, job search assistance, and many other vocational aids. Vocational rehabilitation is sometimes referred to as “occupational rehabilitation.”