

STATE OF WISCONSIN



Department of Workforce Development

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# Advancement Requests

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Dispute Resolution Specialist

# What's an Advancement?

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- Money paid ahead of scheduled monthly Permanent Partial Disability (PPD) payments.
- There must be confirmed PPD
  - Conceded
  - Rated by doctor
  - Statutory minimums
- Usually after end of healing



# Authority for Advancements

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- §102.32(6m), Wis. Stats.: State law that gives the department or division the authority to direct an advance payment of **unaccrued** compensation for PPD or death benefits.
- Wis. Admin. Code DWD 80.39: Guidelines established for the department to determine if the advancement is in the best interest of the injured worker.



# Guidelines for Advancements

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- DWD 80.39 - Some general guidelines:
  - Emergency expenses
  - Injured worker's total income
  - Injured worker's other financial obligations
  - Paying back debts that injured worker incurred while on TTD that are accruing interest, and
  - Is the advancement going to be used for a necessity or a luxury?



# Advancement Process

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- The injured worker asks for an advancement of funds or lump sum payout.
  - If they call you, direct them to WCD at (608) 266-1340.
- WCD sends them the Advancement or Lump Sum Request ([WKC-136](#)) form and its website link.
- The injured worker returns the completed form and supporting documentation to the Department.
- We review the request in accordance with the guidelines in DWD 80.39.



# Advancement Process

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- Once we receive the completed advancement request form, we'll contact you to:
  - Learn the current PPD status.
  - Address any possible issues with other parties who may have an interest in whether a PPD advancement is paid, for example:
    - Attorney fees
    - Child support liens



# Advancement Process

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- If approved, Worker's Compensation will fax or email the authorization for the advancement to the adjuster's attention, specifying the amount to pay and the payee(s).
- **Important** – please wait for our authorization letter before you issue payment.



# Advancement Process

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- Payments are issued the same way the monthly PPD is paid – paper check or direct deposit.
  - We will give you specific instructions on how to make out the payment.
  - Sometimes we will ask you to issue payment to a different payee on behalf of the injured worker.
  - Sometimes we will ask you to issue the payment to the injured worker **and** another payee.
- If you have any questions at all about the payment, please contact us!



# Advancement Process

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- Payment of an advancement **does not** in any way replace, suspend, or reduce the amount of the monthly PPD owed.
- The monthly payment amount is not reduced, but the payments will end earlier.
- The PPD accrual date will not change if an advancement is made.
- If, after reviewing the request, the advancement is denied, the Department sends the injured worker a written explanation of the denial.



# Advancements and PPD

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- PPD payments must be current.
- Unpaid accrued PPD is subtracted from the advancement.
- Interest credit calculation is based on the amount of unaccrued PPD.
- **Important** – Overpayment of TTD/TPD is recouped at the end of PPD payments, rather than at the beginning.



# Advancement Issued

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- The Department needs to know the date you paid the advancement so we can correctly calculate your 5% interest credit.
- Regular monthly PPD payments need to continue.
- Statute of limitations does not change.
  - Remains original calculated date of last PPD payment.



# Law Update – March 2024

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- 2023 Wisconsin Act 213, effective March 24, 2024, added a PPD payment option (§ 102.32 (6m)(b), Wis. Stats.).
- Self-insured employer or the WC carrier may voluntarily make a lump sum payment of unaccrued PPD in an undisputed claim if they agree not to claim the interest credit.
- A lump sum payment made voluntarily will still have the same accrual date as if PPD had been made on the regular schedule.



# Is It an Advancement?

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- An injured worker calls and asks to receive their monthly PPD check early as they are behind on rent payment.
- If you are able to accommodate the request and send the check out a week early...
- **Is it an Advancement?**



# Answer

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- **No**, this is not an advancement.
- You may issue regular monthly PPD payments early.
- The injured worker did not **specifically ask** for an advancement, so they do not need to speak with the Department.
- Insurance carriers may now voluntarily issue all PPD prior to accrual date – but they cannot get an interest credit for early payments.



# Calculating the 5% Interest Credit

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- Insurance company issues payment and notifies the Department of date and amount.
- Interest credits are calculated by Kathy Almeida, ([Kathrene.Almeida@dwd.wisconsin.gov](mailto:Kathrene.Almeida@dwd.wisconsin.gov)) who:
  - Notifies the insurance carrier and injured worker of the interest credit amount.
  - Logs the interest credit amount in the Pending Report portal, where all other payments are shown.



# Points to Remember

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- Generally, advancements are processed within 10 days of the Department receiving the request.
- Advancements cannot be authorized if the injured worker is receiving Temporary Disability (TTD or TPD) or Permanent Total Disability (PTD) benefits.
- If the Department denies the advancement request, we will send a letter to the claimant explaining our decision.



# Points to Remember

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- Only three advancements are allowed per calendar year.
- Insurance carriers can issue PPD prior to accrual date to close out the file earlier. If the insurance carrier issues an advancement without authorization from the Department, there is no interest credit.
- Advancement or Lump Sum Request form ([WKC-136](#)) is available on the Worker's Compensation website.



# Advancements Contacts

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A-C	Jasime Decorah	608-266-0474
D-H	Jeanie Millard	608-267-3738
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## **Interest Credit Calculations:**

Kathrene Almeida

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# Questions?

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