

Living Maintenance

Joint Resolution R89-3-27

Overpayment Recovery

August 1, 1989

WHEREAS, the Industrial Commission and the Bureau of Workers' Compensation issued a joint policy statement on November 5, 1980, providing for the collection of overpayments through a deduction of not more than forty percent from living maintenance payments due to a claimant, and for suspension of any deduction from living maintenance payments in cases of severe financial hardship, and

WHEREAS, questions have recently arisen concerning the above policy, and its applicability to living maintenance payments made under a gradual return to work program, and to rehabilitation wage loss payments made pursuant to O.R.C. section 4121.67(B),

NOW, THEREFORE, BE IT RESOLVED THAT:

1. No deduction of overpayments of compensation or living maintenance shall be made from living maintenance due to a claimant based upon participation in a rehabilitation program, including payments due to a claimant under a gradual return to work program.
2. Deductions of overpayments shall be made from rehabilitation wage loss awards made pursuant to O.R.C. section 4121.67(B). The amount of the deduction shall be limited to not more than forty percent of the award in cases where deducting the full amount from the award would result in financial hardship sufficient to cause the claimant not to be able to continue his or her employment, based upon a recommendation of the Rehabilitation Division. In all instances of a dispute over collection of an overpayment the matter should be referred for hearing.
3. Self-insured employers are authorized to follow the above procedures to collect their overpayments to claimants. Such employers, however, will not be eligible for reimbursement of any amounts deducted from rehabilitation wage loss payments to collect overpayments.