



State of Tennessee | Division of Claims and Risk Management
502 Deaderick Street ♦ Nashville, Tennessee 37243-0202
Telephone: (615) 741-2734 ♦ Fax: (615) 532-4979

WORKERS COMPENSATION WAGE REPLACEMENT BENEFITS

If an approved medical provider determines you are temporarily unable to perform work duties due to a compensable injury, you are eligible for wage replacement. A compensable injury means the authorized treating physician has determined the injury to be work-related. Employees of the State of Tennessee, the University of Tennessee System, the Tennessee Board of Regents, or one of the six locally governed institutions, can use accumulated sick/compensatory/annual leave or elect to use temporary total disability benefits for wage replacement.

The Tennessee Department of Treasury, Division of Claims and Risk Management, and your employer want to be sure you fully understand options available to replace your wages due to your compensable injury and make the selection that best fits your specific needs. Because temporary total disability can only replace a percentage of lost income, you may choose to use accumulated sick, compensatory and/or annual leave. This decision is one you must make based on your leave balance and the anticipated time the injury will require you to be off from work.

Please review and initial as requested below to show your understanding of the available options.

Temporary Total Disability is a wage-replacement benefit paid by the State until a medical provider determines either the employee has recovered sufficiently to return to work or has reached maximum medical improvement. An employee taking temporary total disability must be on leave from the State without pay status for seven days. Temporary total disability benefits start on the eighth day of the disability. If an employee is out of work for 14 days, then benefits will be paid retroactive to the first day of disability.

Employee
Initials

Temporary Total Disability can replace two-thirds (66.67%) of the employee's annual average of the past 52 weeks' wages prior to the workplace injury, up to maximum amounts established by Tennessee law.

Employee
Initials

The benefits are tax-exempt, meaning these benefits are not considered taxable income under federal law and taxes will not be withheld from the wage replacement.

Employee
Initials

The benefits are subject to the maximum and minimum amounts established by Tennessee law, which may change each fiscal year. For the period July 1, 2025, to June 30, 2026, the minimum weekly benefit is \$194.55, and the maximum weekly benefit for temporary benefits is \$1,426.70. The full list of statutory maximum and minimum compensation rates can be found on the Tennessee Department of Labor & Workforce Development website, tn.gov/workforce, under Injuries at Work.

Employee
Initials

An employee cannot be on paid leave and temporary total disability benefits at the same time. However, an employee who initially opts to use accumulated leave time may change to temporary total disability.

Employee
Initials

To receive temporary total disability, an employee must complete the **Notice of Intent for Wage Replacement Payment** form enclosed within this document within seven (7) calendar days of the first day of their absence from work. Failure to complete this form will result in the use of accumulated leave balances.

Temporary Total Disability Wage Replacement Examples for Fiscal Year 2026

For an employee who is unable to work for less than 14 calendar days:

| An Employee earning | \$1,200 per week | \$2,000 per week | \$3,000 per week |
|---------------------|--|--|---|
| Week 1 | Leave without pay | Leave without pay | Leave without pay |
| Week 2 | \$800.04 Equal to 66.67% of average weekly wage | \$1,333.40 Equal to 66.67% of average weekly wage | \$1,426.70 Equal to the maximum weekly benefit |

For an employee who is unable to work for four weeks:

| An Employee earning: | \$1,200 per week | \$2,000 per week | \$3,000 per week |
|----------------------|--|--|---|
| Week 1 | Leave without pay | Leave without pay | Leave without pay |
| Week 2 | \$800.04 Equal to 66.67% of average weekly wage | \$1,333.40 Equal to 66.67% of average weekly wage | \$1,426.70 Equal to the maximum weekly benefit |
| Week 3 | \$800.04 | \$1,333.40 | \$1,426.70 |
| Week 4 | \$800.04 | \$1,333.40 | \$1,426.70 |

Note - An employee receiving temporary total disability benefits does not accrue service credit to the Tennessee Consolidated Retirement System (TCRS). However, an employee is entitled to establish retirement credit for the period of the disability, up to one year, by applying with TCRS and making a lump sum payment equal to the contributions that would have normally been made during the time the employee received temporary total disability benefits. For more information, see the *Application for Retirement Credit for a Period of Temporary Disability under Workers' Compensation under Forms and Guides* at RetireReadyTN.gov.

NOTICE OF INTENT FOR WAGE REPLACEMENT PAYMENT

| | |
|----------------------|--------------|
| Employee Print Name: | Employee ID: |
|----------------------|--------------|

Employees of the State of Tennessee or one of its higher education institutions have two options to maintain or replace wages if they are temporarily unable to work due to a compensable workplace injury.

You must submit this completed form, Notice of Intent for Wage Replacement Payment, to your agency's Human Resources representative and to the Tennessee Department of Treasury, Division of Claims and Risk Management, at Risk.Management@tn.gov within seven (7) calendar days of your first day of absence. **Failure to return this form will result in the use of your accumulated leave balances.**

Please select one of the following:

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|----------------------|
| Employee Initials |
|----------------------|

Temporary Total Disability – *I agree to place all my accumulated leave on hold and receive temporary total disability benefits during my absence. I understand that I must be in a leave without pay status for seven (7) calendar days before benefits will take effect, and I understand the amount of pay I will receive will be two-thirds (66.67%) of my average weekly wage at the time of the incident, up to the maximum benefit.*

OR

| |
|----------------------|
| Employee Initials |
|----------------------|

Accumulated Leave Pay – *I agree to forego temporary total disability benefits and choose to use my accumulated sick, annual, and/or compensatory leave. I understand that by taking this action, I will not be eligible to receive temporary total disability pay during the time I am on paid leave.*

| | |
|---------------------|-------|
| Employee Signature: | Date: |
|---------------------|-------|

HUMAN RESOURCES OFFICE USE ONLY

| | |
|-----------------------|-------------------|
| Received by: | Date Received: |
| Claim Number: | Date of Injury: |
| Date Leave Started: | Date Leave Ended: |
| LWOP Status Keyed by: | Date LWOP Keyed: |