



Advantages & Benefits of Return to Work Programs

Every workers' compensation insurance company, every insurance consultant, and just about anyone else who understands the field of workers' compensation recommends that employers have a **Return to Work (RTW) program**. As an employer, you hear repeatedly how a RTW program will substantially reduce your cost of workers' compensation – as much as 20% - 50%.

Too often, the workers' comp experts state the employer will achieve cost savings from a transitional duty or early RTW program without explaining exactly what the cost savings are, or they state the RTW program shortens the life of the claim resulting in a lower claim cost and a lower experience modification factor being used in each of the next three years when your next workers' comp premium is calculated. That is very true, but there are many other cost saving resulting from a transitional duty or early RTW program. Let's consider some of them.

The advantages & benefits from a transitional duty or early RTW program include:

- Lower claim handling cost by shortening the life of the claim, often preventing a medical only claim from becoming an indemnity claim (this can have a major impact on your experience modification factor mentioned above).
- Lower medical case management cost as employees who return to work on modified duty have an overall faster recovery time than employees who are not offered transitional duty.
- A significant decrease in legal defense expenses, as few employees who are back at work contest their workers comp claims before the workers comp board or court.
- If the employee rejects the transitional duty job, the probability of success of a request before the workers comp board to terminate benefits is much higher than when no job offer has been made.
- An increase in settlement leverage when a valid job offer has been made to an employee.
- An increase in employee morale which results in lower absenteeism.
- A reduction in the replacement labor costs (including the expense of locating, hiring and training additional staff to do the work of the injured employee).
- A decrease in overtime wages for other employees to do the work of the injured employee.
- The loss of productivity is minimized.
- Lower wage replacement cost – either salary continuation or indemnity benefits paid. Remember, sometimes employers pay employees MORE than the wages earned in their own workplace if an employee works elsewhere and then cannot work due to the injury on Job #1.
- Lower medical cost as the recovery time is shorter for employees who remain active after an injury.

- A lower frequency of lost time claims as the employees know they are expected back at work as soon as their physician allows them to perform modified duties.
- Lower use of Family Medical Leave Act time.
- A reduction in American with Disabilities Act (ADA) claims.
- A shorter claim duration which decreases the amount of time management must devote to following the claim.

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