

EMPLOYMENT LAW SUMMARY

Workers' compensation is a system of no-fault insurance that provides monetary and medical benefits to employees (or their survivors) for work-related injuries, diseases and deaths. Workers' compensation is governed by state law.

In Illinois, workers' compensation requirements are set forth in the Illinois Workers' Compensation and Occupational Diseases Act (IWCA). This Employment Law Summary provides a brief overview of the IWCA.

WORKERS' COMPENSATION IN ILLINOIS

Under the IWCA, an injured worker does not have to prove negligence on the part of his or her employer in order to collect benefits. An injury or disease is compensable if it arises out of an in the course of the employee's employment. Therefore, employees may be compensated for their injuries regardless of whether they were at fault.

The IWCA requires employers to carry workers' compensation coverage for their employees. Employers may fulfill this requirement by either purchasing a policy from an insurance company or obtaining state approval to self-insure.

LIMITATIONS OF THE ACT

Prior to the passage of workers' compensation laws, workers could receive compensation for pain and suffering, loss of enjoyment of life and other damages that a jury or judge can award. Now, the IWCA limits an employee's recovery to the following areas, no matter how serious the injury:

- Medical treatment;
- Wage loss benefits;
- Disability benefits;
- Vocational rehabilitation; and
- Death and burial benefits for survivors.

The IWCA also establishes an administrative system for resolving disputes over whether a condition is compensable and over the nature and extent of any disability resulting from a work-related injury or disease. Because workers' compensation is the sole remedy for work-related injuries and diseases, employees who are injured at work must use this system, rather than the courts, to obtain compensation.

WORKERS' COMPENSATION BENEFITS

Employers must pay all medical expenses for treatment that is reasonable and necessary to treat an employee's work-related injury or disease. In addition, employees who miss work time due to a work-related condition may receive weekly benefits equal to **two thirds** of the average weekly wage (AWW) that they earned prior to an injury. Employees who sustain permanent impairments may receive additional weekly benefits or obtain vocational rehabilitation. All workers' compensation benefits are exempt from income taxes.

MORE INFORMATION

For specific information on particular areas of the IWCA, please contact Heffernan Insurance Brokers.

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