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**Compensation Law**

I would like to introduce you the legal part of such branch like ‘Compensation’ in Human Resources. So, basically it will be about legal nature and features of compensations, and also covers state laws that provide compensation to victims of occupational injuries and illnesses like income replacement who can not work, medical care, and other form of financial relief. In addition, all examples I will show you according to the USA.

**Introduction.**   
 What is Workers' Compensation? Workers' compensation is a publicly sponsored system that pays monetary benefits to workers who become injured or disabled in the course of their employment. Workers' compensation is a type of insurance that offers employees compensation for injuries or disabilities sustained as a result of their employment.  
 Legally, there is no penalty for reporting a workplace injury to an employer, but this stipulation is impossible to regulate on an individual level, especially in industries like construction where a worker's livelihood depends to a degree on their physical abilities. Workers' compensation payments are also susceptible to insurance fraud: in some cases, workers will sustain an unrelated injury but report that it was sustained on the job.  
 Workers' compensation should not be confused with disability insurance or unemployment income; it only pays workers who are injured on the job, while disability insurance pays out regardless of when or where the insured is injured or disabled. Workers' compensation also does not cover unemployment. Unlike unemployment income or disability benefits, workers' compensation is always tax-free.  
 Workers’ compensation is often handled by personnel department as a part of their overall responsibility for safety programs. There are several reasons why safety programs are assigned to personnel. Well, firstly safety sometimes just does not seem to fit anywhere else in the company, so personnel gets stuck with it. Secondly, safety management is regulated by government, and government regulation is not as unfamiliar to the personnel manager as it may be to other managers has to cope with EEO (Equal Employment Opportunity) regulation. Finally, safety may be assigned to personnel because it is seen as a people problem and the personnel department responsibility.   
 Workers’ compensation in particular is important to management because it costs money. The cost is over 10 billion dollars per year (according to the USA, state Colorado), and the employer is the source of that money, one way or other. Either the employer compensates the employee directly, or the employer plays premiums to a workers’ compensation insurance fund. Those premiums are based in part on the organization’s safety and health record. Thus, a good safety and health record pays off directly, and alleviating safety and health problems on job is a way in which personnel and human resource managers can justify their existence to management on a cost-benefit basis.

**Main types of compensation.**  
 *Medical Care.* When you’re injured at work, you need to see a doctor. He or she will evaluate your injury and prescribe treatment. You may even need to visit the hospital for medical care or undergo surgery. Workers’ Comp will cover these visits, and it could also cover medically necessary equipment, including crutches, braces or a wheelchair  
*Rehabilitation.* Serious injuries may require rehabilitative services such as physical therapy that help you recover. Workers’ Comp can pay for this rehabilitative therapy. It could also cover any rehab you need to regain skills or abilities required for your job.  
*Disability*. Worker’s Comp disability coverage pays you for the wages you lose while you’re recovering from your illness or injury.   
*Death.* The death benefit in your Workers’ Comp plan covers the financial contributions you make to your dependents. It is paid to your spouse, parent, child or sibling and could total a percentage of your earnings.

**The nature of Workers’ Compensation laws.** Workers’ compensation laws vary somewhat from state to state, in ways described in detail. However, I found some similar features of workers’ compensation system that are common:  
1. The law generally provide for replacement of lost income, medical expense payment, rehabilitation of some sort, death benefits to survivors.   
2. The compensation is mostly paid though an insurance program, financed though premiums paid employers.   
3. Medical expenses, are usually covered in full under workers’ compensation law.  
4. Workers’ compensation insurance premiums based on the accident and illness record of the organization. The more the claim paid to an employer’s employees, the higher the employer’s premium are.  
5.It is a no-fault system: all job-related injuries and illnesses are covered, regardless of whose negligence caused them.   
6. The worker do not have to sue the employer to get that compensation- in fact, covered employers are exempt from such lawsuit.  
**Does workers' compensation insurance cover long-term and permanent injuries?** Yes. Workers' compensation insurance is not limited to just incidental accidents. It also covers problems and illnesses that are developed over a long period of time of doing the same injurious activity-for example, carpal tunnel syndrome or back problems from some sort of repetitious movement.

**Interpretation of the Law.** What is a compensable injury?   
 Employers are not only liable for losses due to a compensable injury. To understand the limits of employer responsibility under workers’ compensation laws, then, it is necessary to understand the concept pf a compensable injury.  
 To the uninitiated, the most notable thing about the concept of compensable injury is how broad it is. Workers’ CL (Compensation Laws) limit their coverage to those injuries “arising out of and the course of…employment. Let me give you example of how the concept of compensable injury is defined.  
 How close in time and space to the work place must an injury happen in order to be considered compensable? Frequently, workers have been award compensation for accidents occurring off the job premises and after working hours. In instance, injuries received at the company picnic, baseball playing team are often deemed compensable. The guiding factors include the degree of employer initiative in organizing the activity, the degree to which employees are required, implicitly or explicitly, to participate. If the company baseball team is organized by the company, and if the company gains favorable publicity from it, then injuries connected with participation on the team may be compensable.

**Conclusion.**   
 Fringe benefits include employee benefits like medical care, hospitalization, accident relief, health and group insurance, canteen, uniform, recreation and the likes. In recent years, a great deal of attention has been directed to the development of compensation systems that go beyond just money. We can say that all the components of compensation management play a very important role in the life of an employee. In particular, there has been a marked increase in the use of pay-for-performance (PrP) for management and professional employees, especially for executive management and senior managers. Compensation is a primary motivation for most employees.

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