

Integrating Resources for Return to Work After Industrial Injuries

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Oregon Preferred Worker Program

Why look for strategic ways to restore our economy and build our workforce? Because we have to jump-start our own economy. We need to embrace change and get to work.

Early efforts taught us some key points. One of the most important is that **our future relies on our ability to link economic development efforts with workforce development and training at the state and local levels. We can only move forward if we help grow companies and recruit new businesses to provide Oregon with jobs. While doing so, we need to train people so Oregon can supply the highly skilled, job-ready workers businesses require.**

THEODORE R. KULONGOSKI

Governor




Integrating What Resources?

Economic, Financial & Development Resources



Integrating What Resources?

- Oregon's Employer-at-Injury Program (EAIP) and Preferred Worker Program (PWP) for Oregon workers with disabilities from on-the-job injuries.
 - Indirect Benefits
 - Federal Tax Benefits
 - Oregon Economic Development Resources
 - Oregon Tax Benefits
 - Federal / Local Entrepreneurial Development Incentives
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Integrating What Resources?

- Oregon Preferred Worker Program – Accommodation Funding
- Work Opportunity Tax Credit (WOTC) – For Hiring Disabled, Veterans & Long Term Unemployed
- Disabled Access Tax Credit & Barrier Removal Deduction
- HIRE Act – Federal Hiring Incentives
- Oregon BOOST Grant & Loan – Hiring Incentives
- Individual Development Account – Entrepreneurs Incentive
- Oregon SEAP Self Employment Assistance Program
- Fed / Local Micro Loan Programs for Start up & Small Biz

Integrating What Resources?

**Unemployed → Use Hiring & Accommodation
Incentives to be Hired**

Employers → Use incentives to Create Jobs, Start Ups

**Unemployed → Become Entrepreneurs → Hire
workers w/
incentives**



Oregon's Preferred Worker Programs

- EAIP and PWP are funded by worker and employer contributions to the Workers' Benefit Fund (WBF).
- Oregon workers and employers each pay about 2.3 cents per hour for every hour worked.

How are the Programs Designed?

Employer-at-Injury Program (EAIP)

- Available when claim is open.
- Speeds return to work, lowers claim costs, keeps workers working, and productive.

Preferred Worker Program (PWP)

- Available after closure, or when worker can not return to work because of permanent work restrictions.



Employer-at-Injury Program (continued)

Insurer responsibilities

- Assist the employer to:
 - Obtain medical releases.
 - Identify transitional work.
 - Process wage subsidy requests.
 - Make worksite modification purchases.
 - Make EAIP purchases.
 - Request reimbursement from WCD.

Employer-at-Injury Program (continued)

Worker criteria

- The worker must have an accepted or deferred Oregon workers' compensation injury or occupational disease claim at the time of the Employer-at-Injury Program.
- The worker must not be covered by the Injured Inmate Law.

Employer-at-Injury Program (continued)

What's available

- Wage subsidy - 50 percent of gross wages for transitional work.
 - Limited to 66 work days, within a 24 consecutive month period.
 - May not start or end with paid leave.
 - Paid leave limited for hourly restrictions.

Employer-at-Injury Program (continued)

EAIIP purchases

- \$400 – clothing
- \$2,500 - tools and equipment
 - Hand tools
 - Computer
 - Workstation
 - Chair – (may also be worksite modification)
 - Consumables
- \$1,000 - tuition, books, and fees

Employer-at-Injury Program (continued)

Worksite modification

- Up to \$2,500, for altering a worksite (rent, purchase, modify, or supplement)
- Must be ordered during EAIP
- Reimbursable if employer purchased in good faith and worker refuses to return to work

Employer-at-Injury Program (continued)

Worksite modification (continued)

- Property of the employer
- Insurer determines appropriate worksite modification for worker, must link the modification to the accepted condition
- Insurer documents reason for approval

Employer-at-Injury Program (continued)

Ending eligibility - When?

- Claim is closed
- Worker or employer no longer eligible
- Sanctions issued against employer
- Insurer ends EAIP at any time while claim is open
- Requesting reimbursement is no longer a reason to end EAIP

Preferred Worker Program

The Preferred Worker Program is designed to encourage re-employment of qualified Oregon workers who incurred permanent limitations from an on-the-job injury.

Nation's Best Return to Work Program

Most Diverse & Robust Benefits in US



Two Types of Activations

Employer-at-Injury activation

- 180 days from claim closure
- One use of all benefits mentioned
- All we need is a job offer letter

Two Types of Activations (continued)

Worker activation

- Three years from start date of the job
- Two uses of all of the benefits mentioned

Eligible employers


Employers must maintain Oregon workers' compensation insurance and comply with Oregon workers' compensation law.



Eligible Workers

- Oregon accepted disabling injury or occupational disease sustained on the job in Oregon
- Must have permanent restrictions as a result of a disabling compensable injury which prevent the worker from returning to the job-at-injury

Major Program Benefits

- Premium exemption
 - Claim cost reimbursement
 - Employment Purchases
 - Wage subsidy
 - Worksite modification
 - Worksite Creation
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Major Program Benefits (continued)

Employment purchases

- Clothing
- Tools and equipment
- Books, fees, and tuition

Major Program Benefits


Employment purchases (continued)

- Temporary lodging, meals, and mileage
 - Moving expenses
 - Initiation fees and union dues
 - Occupational certification
 - Worksite creation
 - Miscellaneous services
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Premium Exemption

- An employer does not pay workers' compensation insurance premiums or premium assessments on a preferred worker for three years from the worker's hire date.
- The employer has 90 days from the start date to contact its insurance carrier.


Claim Cost Reimbursement

- The employer's insurance carrier will be reimbursed for all claim costs incurred for a new injury that occurs during the premium exemption period.
 - Once premium exemption expires, the employer will be responsible for premiums.
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Preferred Worker Wage Subsidy

The employer receives 50 percent wage reimbursement for the preferred worker for six months.

Wage Subsidy (continued)

- Oregon minimum wage \$8.40 = \$4,369 six-month subsidy
 - \$10/hour = \$5,200 six-month subsidy
 - \$15/hour = \$7,800 six-month subsidy
 - \$25/hour = \$13,000 six-month subsidy
 - \$35/hour = \$18,200 six-month subsidy
 - Based on a 40-hour work week
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Employment Purchases Clothing

A maximum of \$400 for clothes required for the job

Tools and Equipment

A maximum of \$2,500 for mandatory tools needed for employment



Tuition, Books, and Fees

A maximum of \$1,000 for training, classes, or a course of instruction to update existing skills or learn a new skill required to perform the job

Temporary Lodging, Meals, and Mileage


A maximum of \$500 to attend instruction when overnight travel is required

Moving Expenses

Payable for a job in Oregon, if the new worksite is at least 50 miles from worker's primary residence



Moving Expenses (continued)

- Moving assistance up to 10,000 pounds
 - Mileage for one vehicle, one way
 - Temporary lodging and meals while looking for a place to live
 - First month's rent and any non-refundable fees not to exceed one month's rent
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Initiation Fees and Union Dues

- Back dues and one month's current dues
- If required by a labor union

Occupational Certification

A maximum of \$500 is available for licenses and related testing costs



Worksite Creation

- Costs to create a worksite up to \$5,000 for the preferred worker to do a job
- Items become the property of the employer

Miscellaneous


- A \$2,500 maximum expenditure.
- Purchases that don't fit into other categories.
- Pre-employment purchases are available, but must be related to a job interview.
- (Example: Glasses, Car Repair, Bus Tickets)

Worksite Modification

- Worksite modification is the purchase of equipment, redesign of a work area, or changing the work process to overcome a worker's permanent work restrictions.



Worksite Modification (continued)

- Modifications are limited to a maximum of \$25,000 >\$25K with Exceptional Disability
 - Assignment of property is discussed at the time the contract is signed.
 - Can be started before all permanent restrictions are known.
 - PWP Technical Assistance & Consulting provided
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Worksite Modification (continued)

- Rental and consultative services up to \$3,500 is available to design or determine the feasibility of a worksite modification. This \$3,500 does not count against the worksite modification category limit.

Examples of Worksite Modifications Before



Examples of Worksite Modifications After



Examples of Worksite Modifications

Before After



Examples of Worksite Modifications Before



Examples of Worksite Modifications After









Wage Subsidy Calculator 50% for 6mo.

Min Wage	\$ Per Hour	Hr / Week	Weekly	Month	12 mo	6mo	WS
\$8.40	12	40	\$480.00	\$2,080.00	\$24,960.00	\$12,480.00	\$6,240.00

Preferred Worker Program Benefits

	Max	Examp.	
1	\$ 25,000.00	\$25,000.00	Worksite Modification Grant
1	\$ 5,000.00	\$ 5,000.00	Worksite Creation
1	\$ 6,240.00	\$ 6,240.00	Wage Subsidy
1	\$ 2,500.00	\$ 2,500.00	Tools & Equipment needed by the worker
1	\$ 400.00	\$ 400.00	Clothing needed by worker
1	\$ 1,000.00	\$ 1,000.00	Training
1	\$ 500.00	\$ 500.00	Occupational Certification
1	\$ 300.00	\$ 300.00	Premium Exemption Value Projection
1	\$ 150.00	\$ 150.00	W/C Indemnification
1	\$ 600.00	\$ 600.00	NCCI Low Cost Policy
0	\$ 2,000.00	\$ -	PWP Job Placement Payment
0	\$ 3,000.00	\$ -	Relocation / Moving Assistance
	=====	=====	
	\$ 46,690.00	\$41,690.00	

**Integrate
Preferred Worker Program
Economic Development
and Entrepreneurial Incentives**




Integrating What Resources?


Oregon's Preferred Worker Program (PWP)

- Federal Tax Benefits
 - Oregon Tax Benefits
 - Oregon Economic Development Resources
 - Federal / Local Entrepreneurial Development Incentives
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Work Opportunity Tax Credit (WOTC)

- \$2,400 for each new disabled adult hire,
 - \$1,200 for each summer youth hire,
 - \$4,800 for each new disabled veteran hire,
 - \$9,000 for each new long-term TANF recipient hired over a 2-yr. period.
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WOTC Target groups

- Temporary Assistance for Needy Families (TANF)
 - Veterans (recent food stamp recipients and qualified disabled veterans)
 - Recently convicted or released ex-felons
 - **Vocational Rehabilitation referrals**
 - Food Stamp (FS) recipients 18 through 39 yo.
 - Supplemental Security Income (SSI) recipients
 - Disconnected Youth 16 through 24 years of age
 - Unemployed Veterans
 - Long-term family assistance recipients
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Work Opportunity Tax Credit (WOTC)

	Max		Examp.	
	\$ 46,690.00		\$ 41,690.00	Preferred Worker Program Benefits
				Fed Tax Benefits
1		\$ 2,400.00	\$ 2,400.00	Work Opportunity Tax Credit - Disabled (40% of first \$6000)
0		\$ 4,800.00	\$ -	Work Opportunity Tax Credit - Veteran (40% of first \$12,000)
0	\$ 9,000.00		\$ -	Work Opportunity Tax Credit - Long Term Aid User (40% of first \$10,000 yr 1, 50% of first \$10k yr 2)
	=====		=====	
	\$ 55,690.00		\$ 44,090.00	



DAC – Disabled Access Tax Credit

Eligible Small Business

Gross receipts < \$1 million or < 30 FTE

Eligible Access Expenditures

1. To remove barriers
2. To provide qualified interpreters
3. To provide readers, taped texts and other methods
4. To acquire or modify equipment or devices for individuals with disabilities

50% of First \$10,000 = \$5,000 max IRS Form # 8826

Barrier Removal Tax Deduction

Eligible Small Business

Any Size

Eligible Access Expenditures

To remove architectural & transportation barriers

Up to \$15,000 deduction

Can Use Deduction & Credit together



Deductable Architectural Barrier Removal Cost Examples

Ground and floor surfaces

Parking Lots

Entrances

Stairs

Elevators

Walks

Ramps

Doors

Bathrooms

Controls



DAC – Disabled Access Tax Credit

	Max		Examp.	
	\$ 46,690.00		\$ 41,690.00	Preferred Worker Program Benefits
	\$ 9,000.00		\$ 2,400.00	Work Opportunity Tax Credit - Disabled
				Fed Tax Benefits
1	\$ 5,000.00		\$5,000.00	DAC Modification Tax Credit
0	\$ 15,000.00		\$4,000.00	DAC Modification Tax Deduction
	=====		=====	
	\$75,690.00		\$53,090.00	

The oft-quoted American sports slogan, “Winning isn’t everything. It’s the only thing!” could well be attributed to the economic importance of firm formation in creating jobs. New research from the U.S. government called Business Dynamics Statistics (BDS) confirms that **startups aren’t everything when it comes to job growth.**

They’re the only thing.



Integrating What Resources?

Economic, Financial & Development Resources

Unemployed → Use Hiring & Accommodation Incentives
to be Hired

Employers → Hiring, Creating Jobs, Create Start Ups

Unemployed → Become Entrepreneurs → Hire workers
w/

incentives



Oregon Economic Incentives

Building Opportunities for Oregon Small Business Today (BOOST)

BOOST Loan - \$150,000 <100 FTE,
Traded Sector

BOOST Grant - \$2,500 / new job, 6 mo.
\$50,000 max, Traded Sector
Oregon4biz.com

Oregon Economic Incentives

Entrepreneurial Development Loan

Micro & Small Business

< \$500K

Owned by Disabled Person

\$25,000 max

Oregon4biz.com



Oregon Economic Incentives

Individual Development Accounts (IDA)

Lower income households accumulate assets tax-free

Account holder makes deposits that are matched 3 : 1

\$3,000 max

\$4,000 combined

Qualified purposes:

**Higher education, or
Purchasing a home, or
Starting own business**



Oregon Employment Dept. Self Employment Assistance Program (SEAP)

For people with regular Oregon Unemployment claims

Allows a participant to work full time on a business start up or expansion while receiving unemployment benefits

Keep the profits of enterprise and receive full unemployment

Must be likely to exhaust unemployment benefits prior to returning to work



Oregon Economic Incentives

- Economic Development Districts
- Oregon Micro Enterprise Network (OMEN)
- Empowerment Zone (EZ),
Renewal Community (RC),
Rural Renewal County (RRC)
- SBDC / SCORE Education Training &
Consulting Resources

MAX		Examp.	
\$ 46,690.00		\$ 41,190.00	Preferred Worker Program Benefits
		\$ -	Turn Over Cost Savings
		\$ -	Claims Cost Savings
		\$ -	Return to Work Savings
			Fed Tax Incentives
\$ 9,000.00		\$ 2,400.00	Work Opportunity Tax Credit - Disabled
\$ 5,000.00		\$ 5,000.00	DAC Disability Access Credit
\$ 15,000.00		\$ 4,000.00	DAC Disability Access Deduction
			Oregon Job Creation
		\$ 2,500.00	BOOST Grant
\$ 150,000.00		\$ -	BOOST Loan
			Oregon Biz Start Up
\$ 4,000.00		\$ 3,000.00	IDA Individual Development Accounts
\$ 8,112.00		\$ 8,112.00	SEAP Self Employment Assistance Program
\$ 25,000.00		\$ -	Oregon Entrepreneurial Development Loan
\$ 20,000.00		\$ -	Oregon Investment Advantage - 10 year Tax Exemption
\$ 25,000.00		\$ -	Oregon Enterprise Zones 5 - 15 Yr Prop. Tax Exemption
			Loan Programs
\$ 25,000.00		\$ -	SBA Micro Loans
\$ 25,000.00		\$ -	OMEN Micro Loans
\$ 25,000.00		\$ -	Economic Development District Loans
=====		=====	
\$ 382,802.00		\$ 66,202.00	

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Thank you!