



WORKERS' COMPENSATION PAY SELECTION FORM

TO BE COMPLETED BY ANY EMPLOYEE MISSING TIME DUE TO A WORK RELATED INJURY

Under Pennsylvania's Workers' Compensation Act, you will generally be paid 66-2/3 percent of your wages beginning after the 7th calendar day of total disability resulting from a work related injury. There is a "cap" on the amount of workers compensation that you can collect, which is set by state law. If you are disabled for between 7 and 14 calendar days, you will receive benefits starting with the 8th calendar day, and if you are disabled for 14 days or more, you will receive benefits for the first 7 days as well. Payments are made in 2-week increments.

Because there is a delay in workers' compensation payments and because you may not receive benefits for the first 7 days of disability, you may elect one of the following options to provide additional income while receiving workers compensation payments.

Please note that once you choose one of these options, you cannot change your election for the duration of your work-related disability. If you do not complete this form on a timely basis, you will be deemed to have elected Option 3.

I, _____, hereby elect the following pay option related to my work-related injury that occurred on _____. I authorize Pennsylvania American Water Company to initiate the payments and deductions specified below.

_____ **Option 1-Workers' Compensation (WC) Pay Only**

- A. I understand that I will receive no pay other than workers compensation benefits as outlined above: no payments for 7 days and payments for days 1 through 7 only if I am absent 14 days or more.
- B. I understand that the Company's insurer will issue checks every 2 weeks.
- C. Since I will not be receiving a paycheck from the Company, I agree to remit to the Company a check to pay for my required employee contribution for voluntary benefits (health and life insurance). I may also continue Flexible Spending Account contributions if desired.
- D. I understand that under this option I will utilize no sick time.

I ELECT OPTION 1:

Employee Signature

Date

Option 2-Workers' Compensation Pay, Plus Partial Day Sick Time Deduction

- A. I understand that I will receive workers compensation benefits, and I also authorize the Company to deduct from my available sick leave 2.5 hours for each day of disability and to pay me for those sick hours to supplement my workers compensation benefits.



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Commonwealth of PA has a seven (7) day waiting period for WC Indemnity benefits.

EXAMPLES:

Scenario for Employee A	
Available Sick Days: 3 (24 hours; 10.9 days of supplement):	Specifics: Employee has used seven (7) sick days. Employee wants full pay that week
Days Off Work: 3	
What is the Employee Option(s)?	<ol style="list-style-type: none"> 1. May take sick days to supplement income under Option 3 2. Has no sick time for the rest of the year.

Scenario for Employee B	
Available Sick Days: 8 (64 hours; 25.6 days of supplement)	Specifics: Employee has 8 sick days remaining, but does not want to use them .
Days Off Work: 13	
What is the Employee Option(s)?	<ol style="list-style-type: none"> 1. Employee may take Option 1 or 2 2. Option 1 - no sick day time is deducted. 3. Under Option 2, 15 hours of sick time will be deducted for the 5 days(2.5 hours per day) of workers' compensation.

Scenario for Employee C	
Available Sick Days: 22 (176 hours 70.4 days of supplement)	Specifics: Employee wants to supplement WC payments fully.
Days Off Work: 50	
What is the Employee Option(s)?	<ol style="list-style-type: none"> 1. Option 3 for up to 10 days (2 weeks). 2. Then Option 2 until employee is released at 50 days. 3. Sick hours used would be 107.5 or 13 days of sick time.



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Why are we changing this Program?

- An exhaustible benefit, such as sick time, CANNOT be used in lieu of WC, and adopting this program allows employees to supplement WC payments while preserving sick leave.
- The employee and PAWC have had past problems with the issuance, accounting and cashing of insurance company issued checks.
- Double payments to employees have occurred, which is illegal.
- Some employees do not want to use their sick time for WC benefits.
- Employees have had issues when they have filed their tax returns.