Labor Unions and Workers Compensation

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When most people think of labor unions and workers compensation, they think of the role of unions in supporting questionable workers compensation claims. When a factory closes and then most of the union work force files belated worker’s compensation claims, at the encouragement of the local labor union, the union gets a black eye and a soiled reputation.

It does not have to be this way. Unions can have a positive role. When unions support safety improvements, they are providing an important benefit to their members and they are assisting the employer in lowering the cost of workers compensation. Union support for OSHA programs can be instrumental in improving the safety within an industry. Unions have also promoted the use of safety gear including hard hats and protective eyewear. (WCxKit)

While unions have often promoted safety in the work place, unfortunately some public sector unions have fought against drug testing of employees, resulting in unnecessary injuries to employees and unnecessary workers compensation expense for the employers. However, some unions in the private sector have worked with employers to develop and implement fair and equitable drug testing policies.

In the states where the employers do not have to hold open a job for an injured employee, unions can make a difference. Often the union will have a labor agreement requiring the employer to hold open the injured employee’s job until the employee can return to work. In addition, the union can track workplace accidents and make recommendations on ways to reduce the number of accidents.

The union representative or steward will normally guide the injured employee through the work comp process, starting with arranging immediate medical care for an employee hurt on the job. This is a good thing as the sooner the employee is treated for an on-the-job injury, the higher the probability of a faster recovery. However, the union involvement can quickly go from good to bad when the union encourages an employee to stay off work longer than necessary because the union has some other quarrel with management.

When unions boast that the union members receive more in workers compensation payments than non-union employees do, they may think that sounds like a good thing, but in reality, it is stating they create more waste in the workers compensation system. Every state requires the exact same benefits for medical, indemnity and vocational rehabilitation for non-union members as they do for union members.

Contrary to what some union leaders tell their members, employers do not have unlimited funds for workers compensation. Unions often err when it comes to workers compensation by putting the “rights” of one injured worker ahead of the best interest of all employees and the employer. When a union files a grievance on behalf of an injured worker who is overstating his/her injury or an injured worker who is trying to commit workers compensation fraud, any benefits paid to the injured worker reduces the amount of money the employer will have to provide benefits to legitimately injured workers. (WCxKit)
The same logic applies when the union representative or union steward automatically requires ("request") all injured employees to go an attorney chosen by the union to represent the employee in their work comp claims. The additional expense that the attorney creates in the claim comes out of the employer's pocket whether the employer is self-insured, or pays it latter through higher insurance premiums. The additional cost of the represented workers compensation claim reduces the amount of money the employer has for work comp and other employee benefits.

Author Rebecca Shafer, JD, President of Amaxx Risks Solutions, Inc. is a national expert in the field of workers compensation. She is a writer, speaker, and website publisher. Her expertise is working with employers to reduce workers compensation costs, including airlines, healthcare, printing/publishing, pharmaceuticals, retail, hospitality and manufacturing. See www.LowerWC.com for more information. Contact: Info@ReduceYourWorkersComp.com.

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