

# Basics of KEPT ON SALARY (KOS)

A strategy to cut down on workers' compensation costs.



## WHAT IS KOS?

KOS is when an employer pays an injured worker their regular pay while out because of a workplace injury.

**Helpful Tip:** It can take up to a few weeks to formally return your employee to modified-duty work. During that time, they may be eligible for time-loss benefits from L&I. Utilizing KOS, you can pay their regular wage—just as if they continued to work—instead of L&I paying time loss, keeping the claim medical-only and preserving your cost savings.

## L&I RULES

- » Pay employee full wages as if they were at work and tax wages as normal
- » No deduction to vacation/sick leave

## WHCA REQUIREMENTS

- » Strongly consider KOS to avoid time loss.

**Helpful Tip:** Faster return-to-work lessens your KOS obligation.

## KOS BENEFITS

### FINANCIAL HEALTH

#### PAY LESS PREMIUM

L&I reduces rates between 10-40% when a company does not have time loss for a 3-year period.



Reduced time loss = Reduced workers' comp rates



#### EARN A BETTER REFUND

For every \$1 paid in time loss, L&I takes up to \$5 out of potential refund.

Reduced time loss = Increased Retro refund

### CLAIM CONTROL

#### KEEPS YOU IN THE KNOW

Employers have the right to require updates on medical information like treatment notes and work restrictions when paying KOS.

#### CREATES ACCOUNTABILITY

KOS promotes communication with your employee about their treatments and upcoming medical appointments.

#### GETS RETURN TO WORK (RTW) STARTED FASTER

With good communication, you will know sooner when your employee is released to modified-duty work. Offering this as soon as possible is the goal, not continual, unending KOS.

**Helpful Tip:** In rare situations where KOS is not immediately paid, you should be in consultation with your ERNwest claims manager or performance specialist.

## TIME LOSS HURTS

**Loss of Claim-Free Discount:** Once this discount is lost, it takes another three years to earn back.

**Increased Rates:** Premium can nearly double, which can impact the cost of every employee, every hour, for three years.



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