

By: Katherine A. Brown Holmen, Dudley and Smith, P.A., Serving Minnesota Since 1952.

All owners and drivers in the State of Minnesota are required to have Minnesota No-Fault Auto Insurance. Additionally, all cars or truck accidents in Minnesota should be covered by the Minnesota No-Fault Law. This law pays certain out-of-pocket expenses, regardless of who is at fault. No-fault benefits are sometimes called “basic economic loss benefits” or your insurance policy may refer to it as a “PIP (personal injury protection) benefit.”

No-Fault Wage Loss Provision

Minnesota’s No-Fault benefits come from your insurance plan. An important thing to remember is that *your* insurance company pays these expenses, regardless of who is at fault. Minnesota’s No-Fault provision allows for \$20,000 for a combination of income loss, replacement services, funeral expense loss, and survivor’s losses. Thus, generally, you can receive up to \$20,000 for wage losses related to a MVA; however, your wage loss benefits are determined with the Minnesota No-Fault Calculation for Income Loss Benefits.

Calculating Wage Loss Benefits

Generally speaking, Minnesota’s No-Fault benefits for income loss pays 85% of present and future gross income loss, up to a maximum of \$500 per week. However, not everyone’s income can be calculated in the same way. For salaried employees, the calculation is simple, but for unemployed and self-employed employees, the calculation becomes more complicated.

1. Unemployed Employees

- a) If you are an unemployed employee who lost unemployment benefits because of an accident and are no longer able to work, no-fault would pay up to \$500 per week for income loss benefits.
- b) However, if you are an unemployed employee and had a definite offer of employment or a specific future period of employment, then no-fault calculates the reasonably predicted loss of income for your future employment to determine your income loss benefits.

2. Self-Employed

Calculating income loss for self-employed employees is difficult and is typically calculated on a case-by-case basis. However, no-fault explicitly covers costs incurred to hire a substitute employee when the self-employed employee cannot work for reasons related to the MVA.

3. Other Payment Offsets

There are instances that can decrease the amount of no-fault income benefits you receive related to a MVA.

a) *Worker's Compensation Benefit*: When you can recover from both worker's comp benefits and no-fault benefit, worker's comp benefits will take priority. You cannot stack or combine the recovery of worker's comp and no-fault benefits. In other words, if you have a weekly income, worker's comp benefits will cover the weekly income before the no-fault benefits will kick in. However, if you're awarded worker's comp benefits that are larger than the no-fault benefit of \$500 per week, you will not receive no-fault benefits, but only worker's comp. benefits.

For example, a person with a \$750 weekly income might receive \$600 from worker's compensation. Since this exceeds the \$500 maximum no-fault payment, you will not receive a no-fault payment. On the other hand, a person with \$600 in weekly income might receive \$400 from worker's compensation. Because no-fault would pay \$500 on this claim, the person is entitled to a \$100 no-fault limit to supplement worker's compensation.

b) *Sick Leave/Disability*: If you are on sick leave or disability when you make a claim for no-fault wage loss, you will only receive the no-fault benefit if you are depleting an accumulated reserve of sick leave benefits. The reason for this policy is to prevent double recovery for a single accident.

c) *Other Earned Income*: Compensation for income loss is reduced by any income from substitute work performed by the injured person.

What if I'm a homemaker?

If you possess full-time responsibilities, such as providing care and maintenance of a home, you may be entitled to **replacement services benefits**. These benefits can be obtained on the eighth day following the injury. Generally, if you are injured and normally maintained a home, you may be entitled to replacement services benefits, even if no expense was incurred. For example, you may receive replacement services benefits even if you did not incur expenses in hiring someone to complete the home maintenance.

The replacement services benefits are typically based on the reasonable value of the work you provide in maintaining a home. However, determining if you qualify as a "normal homemaker" is considered on a case-by-case basis.

Replacement service benefits allow up to \$200 per week. These benefits are drawn from the same coverage as payment of disability income loss, with a total coverage of \$20,000.

How do I activate these benefits?

To activate the process of receiving the income loss benefits, you need to file a personal injury form with your insurance company.

Can my insurance company contest my claim for income loss benefits?

Yes, insurance companies can contest your claim for income loss benefits. This part of the process is complicated and you will likely need an attorney to help you through the process.

I have handled hundreds of cases through jury trials, court trials, administrative proceedings, and Google has ranked our firm as a five-star business.

Every insurance company and policy is different, and a personal injury attorney can assist you in dealing with your insurance company, making these claims, and recovering your income loss and replacement services benefits. For more information regarding any income loss benefits claims you may have, feel free to contact Katherine Brown Holmen, a personal injury, wrongful death, and worker's compensation attorney at Dudley and Smith P.A. Katherine has over 24 years of experience and has worked on thousands of income loss benefit claims. If you have been involved in an accident and want to recover income loss benefits, please contact **Katherine Brown Holmen at 651-291-1717 or by email at kholmen@dudleymsmith.com**. Dudley and Smith, P.A. is a full service law firm with offices in St. Paul, Blaine, Bloomington, Burnsville, Chanhassen, White Bear Lake, and Woodbury.



Katherine grew up in Minnesota and has lived there for most of her life. However, she did attend the University of North Dakota School of Law, where she was a dedicated student who graduated and passed the Minnesota Bar Examination to become a lawyer by the age of 24.

Since her graduation she has worked exclusively as a personal injury lawyer in the Minnesota area, gaining great experience from a huge number of cases, as well as a reputation among her fellow attorneys as a top ranking attorney in personal injury actions in the State of Minnesota.

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"I wrote you a thank you card but decided that my writing wasn't grand to say the least (shaky). I like to thank you for your work on our case which has been so very difficult for our family in so many ways. Thank you for sticking with us. With so many adversities, we were so pleased to be dealing with a lawyer of honesty. Our best to you, and thank you for your continued assistance wrapping this up. We wish you and your family much happiness over the holidays and hope you will get a break coming up. Warm regards."

She is a strong advocate for people who have suffered injuries because of another person's negligence and is always keen to fight for justice on their behalf. She represents people who've suffered injuries or were the victim of wrongful death throughout Minnesota in the following areas:

- Motor Vehicle Accidents
- ATV and Snowmobile Accidents
- Airplane Accidents
- Train Accidents

- Boating Accidents
- Pedestrian Accidents
- Claims Against Bars for Over-Serving
- Dog Bites
- Wrongful Deaths
- Injuries to Children
- Nursing Home Accidents
- Construction Accidents
- Defective product Accidents
- Work Place Accidents
- School Accidents
- Gun Accidents
- Farm Accidents
- Assaults
- Slip, Trip and Fall Accidents
- Appellate Law
- Worker's Compensation

We invite you to schedule a free initial consultation to learn more about our personal injury practice. If you cannot come to us, we will come to you in your home or in the hospital.