



Lifetime Income Benefits and Death Benefits in the Texas Workers' Compensation System



Types of Workers' Compensation Indemnity Benefits

- Temporary Income Benefits
- Impairment Income Benefits
- Supplemental Income Benefits
- **Lifetime Income Benefits**
- **Death Benefits**
- Burial Benefits



Lifetime Income Benefits (LIBs)

These benefits are paid for the life of the injured employee for specific catastrophic injuries as set out in Labor Code, Section 408.161.

- Total and permanent loss of sight in both eyes;
- loss of use of both feet or hands or loss of use of one foot and one hand;
- an injury to the spine that results in permanent and complete paralysis of both arms, both legs, or one arm and one leg;
- a physically traumatic injury to the brain resulting in incurable insanity or imbecility; or
- third degree burns that cover at least 40 percent of the body and require grafting, or third degree burns covering the majority of either both hands or one hand and the face.



Lifetime Income Benefits (LIBs)

- LIBs are paid weekly, monthly or by annuity and equal 75 percent of the employee's average weekly wage, with a 3 percent cost of living increase each year.
- These benefits are subject to statutory weekly maximums for the first year of benefits only – currently \$895/week. The statutory maximum benefit amount does not apply to the 3 percent cost of living increase each year.
- In other states, LIBs are referred to as “permanent total disability benefits,” and are generally paid at 66 2/3 percent of the employees' average weekly wage.
- Lifetime Income Benefits are not taxable.



Lifetime Income Benefits (LIBs)

- An injured employee becomes eligible for LIBs whenever a work-related injury or illness causes the employee to meet the conditions specified in Labor Code, Section 408.161.
- Historically, there are approximately 100 LIBs claims/year.



Death Benefits

- Death benefits replace a portion of lost family income for the eligible family members of employees killed on the job.
- Historically, there are approximately 200-250 death benefit claims/year.
- A family member may get death benefits if:
 - the family member is the spouse, dependent child or grandchild, or another eligible family member of an employee killed on the job; or
 - if no other eligible beneficiaries, then benefits may be paid to non-dependent parents (maximum duration for non-dependent parents is 104 weeks of benefits).



Death Benefits

- The length of time a family member may receive death benefits depends on the family member's relationship to the employee.
- If the legal beneficiary is a spouse, then the spouse may receive death benefits until the spouse remarries. Upon remarriage, the spouse will receive a lump sum equal to 2 years of death benefits and then the spouse's benefits will be redistributed to any other legal beneficiaries.
- HB 1094 by Geren (84th Legislature, 2015) allows a spouse of a first responder to receive death benefits for life, regardless of remarriage (effective for compensable injuries that occur on or after September 1, 2015).



Death Benefits

- Death benefits equal 75 percent of the deceased employee's average weekly wage.
- These benefits are subject to statutory weekly maximums – currently \$895/week.
- Death benefits are not taxable.
- If no beneficiaries, payments are made into the Subsequent Injury Fund – maximum of 364 weeks of death benefits paid into the Fund.

