

**EXPLANATION OF WAGE CALCULATION  
(Pursuant to NAC 616C.520(1))**

The amount of disability compensation payable to an injured employee is based on his average monthly wage at the time of the accident. The compensation due is calculated on a calendar day basis, and paid at the rate of 66 2/3% of the average monthly wage, subject to the statutory limitation that creates a maximum average monthly wage benefit that is 150% of the state-calculated average monthly wage. If disabled for at least five consecutive days, or five cumulative days within a 20-day period, each day of disablement, including and following the five days, is compensable. When a doctor releases the injured employee to work or he returns to work on his own, the eligibility for disability ceases.

**ITEMS INCLUDED IN THE AVERAGE MONTHLY WAGE  
(Pursuant to NAC 616C.423)**

The calculation of your average monthly wage includes the following: wages or salary; commissions which are prorated over the period used to calculate the AMW; incentive pay; payment for sick leave; bonuses which are prorated over the period used to calculate the average monthly wage; termination pay; tips which are collected and disbursed by the employer and are not paid at the discretion of the customer; tips you report pursuant to NRS 616B.227; payment for piecework, tool allowance, vacation, holidays, overtime, and travel time; and value of room and/or board. Concurrent employment with another employer may be included.

Items which cannot be included are: employment not subject to coverage under NRS 616A to 616D, inclusive or chapter 617 of NRS, or elective employment which has not been elected; reimbursement for job related expenses, including per diem and travel, and allowances for laundry or uniforms.

In certain instances, wages are determined by statute. Compensation will be based on that wage.

If your average monthly wage exceeds the State Average Monthly Wage, compensation will be based on the State Average Monthly Wage.

**CALCULATION OF THE AVERAGE MONTHLY WAGE**

A wage history of a period of 12 weeks must be used to calculate the average monthly wage. If a 12-week period is not representative of your average monthly wage, the following methods are to be used.

A period of one year, or the full period of employment if less than one year, may be used. It **must** be used if the average monthly wage would be increased; or pursuant to NAC 616C.435(3), if employee is a member of a labor organization and regularly employed by referrals from that office, wages from all employers for one year must be used if the average monthly wage would be increased.

If employed less than 12 weeks, but for a period not less than four weeks, wages are averaged for the available period; or earnings based on piecework or a period of less than four weeks must be based on the rate of pay and projected working schedule, or on an average equal to other employees doing the same work.

The period used to calculate the AMW must consist of consecutive days immediately preceding your accident. Each day must be counted, with the following exceptions: A certified illness or disability; institutionalized in a hospital, or other; enrollment as a full-time student and not employed on days of attendance; military service other than weekend duty; an officially sanctioned strike; or absence due to approved leave pursuant to the Family and Medical Leave Act of 1993.

Concurrent wages for employment by two or more employers may also apply. NAC 616C.447 provides that the insurer shall advise an injured employee in writing of his eligibility for compensation for concurrent employment at time of the initial payment of compensation.

IF IT APPEARS THAT AN ERROR HAS BEEN MADE IN THE WAGE DETERMINATION, PLEASE CONTACT YOUR CLAIMS AGENT. AN EXPLANATION OF THE CALCULATION WILL BE PROVIDED. THE WAGE WILL BE REVISED UPON PRESENTATION OF DOCUMENTATION (CHECK STUBS, INCOME TAX FORM W-2, WAGE STATEMENT FROM THE EMPLOYER) WHICH SHOWS THE ORIGINAL WAGE DETERMINATION TO BE IN ERROR. A REVISED WAGE WILL BE USED TO RECALCULATE AND ADJUST COMPENSATION FOR PERIODS ALREADY PAID, AS WELL AS FUTURE COMPENSATION.