**Lost Wages Policy**

**Past Lost Wages**

VCAP calculates past lost wages using the following factors:

1. The time absent from work that is accompanied by a doctor’s note.
2. The average time the claimant worked per week in the four-week period preceding the crime.
3. The average gross wage the claimant earned in the four-week period preceding the crime.
4. The average of the gross income earned per the tax-return of a claimant who is self-employed.
5. The average of the net income earned, excluding depreciation, per the tax-return of a claimant who is a sole-proprietor.
6. Any sick, vacation, or compensatory time the claimant used.

This information is gleaned from doctor’s notes, the VCAP employer questionnaire, prior pay stubs, and/or tax returns. In an attempt to expedite payments in cases when employers are non-responsive or when information is otherwise incomplete, VCAP reserves the right to calculate wages based solely upon the paystubs and tax returns received, provided there is a doctor’s note excusing the absence from work. No doctor’s note is required in any case in which the claimant is seeking lost wage reimbursement for less than 3 days of missed work.

Claimants who were either separated from their employment, unemployed, or working in an irregular manner (“under the table”) at the time of the crime are ineligible for VCAP’s lost wages benefit.

**Future Lost Wages**

Realizing that victims of crime are not always able to return to work in their previous capacity, VCAP calculates future lost wages using the following factors:

1. The reduction in time that is accompanied by a doctor’s note.
2. The difference between the average gross wage the claimant earned in the four-week period preceding the crime, per the provided pay stubs and the reduced wage the claimant earned upon return to work, per the provide pay stubs.

In instances when the crime-related injury prevents the claimant from working scheduled overtime hours, VCAP calculates lost wages using the following factors:

1. The reduction in time that is accompanied by a doctor’s note.
2. A work schedule provided by the employer which shows that the claimant was required to work more than 40 hours per week.
3. Pay stubs from the week when overtime was missed that show the claimant’s overtime rate of pay.

**Reductions to Account for Taxation**

To avoid overcompensating individuals, VCAP accounts for income taxes in the following manner:

1. VCAP extrapolates the claimant’s yearly earnings from the documents received.
2. VCAP then applies to the claimant’s yearly earnings the appropriate marginal tax rate for the single filing status that is listed in the federal tax bracket thresholds for the year in question.
3. All compensation paid to victims of crime by VCAP is non-taxable in the State of Delaware.

**Reductions to Account for Worker’s Compensation, Disability Insurance, and Subrogation**

VCAP, statutorily, is the payer of last resort for wages lost by victims of crime. If other benefits or sources of funds are available, claimants must seek them out and provide VCAP with either a denial letter, or the documentation for the amounts paid, or payable to them. VCAP will then subtract these monies from the calculated lost wages.

Prior to VCAP paying lost wages, the claimant must apply for the below supplemental benefits within the listed time frames:

1. Unemployment – Immediately, if separated due to the crime-related injury
2. Worker’s compensation - Immediately
3. Employer or Private Short-Term Disability Insurance – Immediately
4. Supplemental Social Security Income – must show proof of an application within 12 months
5. Social Security Disability Income - must show proof of an application within 12 months