

COA Opinion: The calculation of work loss benefits under the no-fault act does not require a direct correlation of work per month and pay per month

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In *Copus v Meemic Insurance Company*, the Court of Appeals determined that the computation of work loss benefits under the no-fault act, MCL 500.3101 “does not mandate any sort of temporal correlation between the work and the income.” The Court of Appeals affirmed the trial court’s award of 12 monthly payments, based on Plaintiff’s annual teaching salary, even though Plaintiff only worked when school was in session.

Plaintiff is a special education teacher on a yearly contract with a yearly salary of \$63,895. Prior to her automobile accident she elected to have her salary disbursed in 26 biweekly installments rather than 21 biweekly installments. Plaintiff and the trial court computed her wage loss payments by dividing her yearly salary, less fifteen percent, by twelve months. She and the trial court therefore found her entitled to \$4,525.90 a month, which is below the monthly maximum. Defendant, however, computed plaintiff’s wage loss payments based on the specific days that plaintiff was contracted to work. Defendant’s method resulted in monthly amounts ranging from zero, for the summer months, to \$6,529.16. Under Defendant’s computational framework many months would exceed the statutory cap resulting in a lower annual total.

The Court of Appeals distinguished an Attorney General Opinion that opined that when a teacher is injured and unable to work during the summer, he or she is not entitled to payment of no-fault benefits. The Court agreed with the proposition that “unless the teacher teaches summer school or otherwise performs work over the summer, the teacher cannot have lost income from work that he or she would have performed” but concluded that plaintiff’s situation is different because plaintiff had “actual work loss,” and “as a direct result of that actual work loss, she lost 26 paychecks’ worth of income over a year.”

Disclaimer: WNJ represented the prevailing plaintiff-appellee in this case.