

## Employee Death Benefits

Recently several members have expressed concern or have had questions about how employee health benefits and workers compensation would apply should an employee pass away. This Technical Update provides a brief review of the topic. Please keep in mind that we cannot address all aspects of this topic since each case will be adjudicated depending on its specific circumstances.

### While on the Job

In the event of an employee's death resulting from a work-related injury, a statutorily set amount will be paid for the funeral and burial expenses. This amount is set by the Colorado Workers' Compensation Statute.

### Dependent Death Benefits

Under Workers' Compensation dependent death benefits would be paid to the dependent spouse for life or until remarriage at a rate in accordance with the Workers' Compensation statute, up to the maximum rate for death benefits. If there are dependent children, benefits would be paid at a rate set by the Workers' Compensation Statute to all eligible dependents. Maximum rates allowed by statute apply to all benefits. The cost of the employee's health insurance is included in the wage to calculate the death benefit rate so that health insurance is considered up to the maximum compensation rate set by the state.

### Health Insurance

The employee's health insurance would likely terminate, but the surviving spouse could procure coverage through COBRA or an outside source using the funds provided from the life insurance provider.

Death is considered a qualifying event under COBRA. This extends the coverage timeframe to 36 months instead of the 18-month timeframe in place for terminations and /or reduction in hours. Monthly premiums under COBRA include a 2% administration fee, which some carriers will waive. Any benefits in place prior to the qualifying event will remain in place under COBRA.

### Outside of Work

As in the case of loss of life while on the job, an employee's health insurance would likely terminate leaving the remaining spouse and/or dependents to procure coverage through COBRA or an outside provider using the funds provided from the life insurance provider. Funeral and burial expenses are not covered by Colorado Worker's Compensation for a non-work-related death.

### What This Means for Counties

In general, there are laws and benefit programs currently in place that provide for stop-gap measures for health insurance coverage for families in the immediate aftermath of an employee's death and longer in the case of Workers' Compensation benefits. Remember each individual case is unique and benefit levels may vary. For more information about specific circumstances, contact CTSI at 303 861 0507. [ctsi](http://www.ctsi.org)