ALASKA WORKERS' COMPENSATION BOARD

P.O. Box 115512 **Juneau, Alaska 99811-5512**

DAN P. CORPUZ, Employee, Claimant, v. ALASKA AIR GROUP, Employer, and ALASKA AIRLINES, INC., Insurer, Defendants.	FINAL DECISION AND ORDER ON RECONSIDERATION AWCB Case No. 202312373 AWCB Decision No. 26-0081 Filed with AWCB Juneau, Alaska on October 7, 2026

Alaska Air Group and Sedgwick, Inc.'s (Employer) April 28, 2026 petition for a Social Security disability (SSD) benefits offset was heard on the written record on August 18, 2026 in Juneau, Alaska, resulting in *Corpuz v. Alaska Air Group*, AWCB Decision No. 26-0073 (September 14, 2026) (*Corpuz I*). Employer submitted its timely September 22, 2026 petition for reconsideration, which gave rise to this September 23, 2026 hearing on the written record. Dan P. Corpuz (Employee) represents himself. Attorney Jeffrey Holloway represents Employer. The record closed when the panel deliberated on September 23, 2026.

ISSUES

Employer states *Corpuz I* correctly ordered an SSD benefits offset. However, Employer contends *Corpuz I* erroneously limited the offset to the period March 1, 2024 to April 22, 2026. Employer contends it will be required to again petition the board for an SSD offset for future

periods in which Employee receives temporary total disability (TTD) and SSD benefits concurrently.

Employee did not oppose an SSD offset in *Corpuz I*.

Should *Corpuz I* be reconsidered?

FINDINGS OF FACT

A preponderance of the evidence establishes the following facts and factual conclusions:

1) On September 14, 2026, *Corpuz I* granted Employer's April 28, 2026 petition for an SSD offset. *Corpuz I* granted a $383.74 offset against Employee's $554.55 compensation rate, resulting in a compensation rate of $170.81 upon application of the offset. *Corpus I* granted this offset retroactive to the period of March 1, 2024 to April 22, 2026; during this period, Employee's compensation rate was $554.55 and his weekly SSD benefits were $493.16. *Corpuz I* determined Employee received a cumulative overpayment of $42,924.06 during this period and granted the retroactive offset Employer sought. (*Corpuz I* at 7-8).

2) *Corpuz I* found Employer had already changed Employee's compensation rate to $170.81 beginning April 22, 2026. In its May 4, 2026 subsequent report of injury, Employer coded this change as recovery of an "overpayment." From April 22, 2026 onward, Employee's compensation rate has been $170.81. (*Id*. at 2, 8; Subsequent Report of Injury, May 4, 2026; ICERS payment screen; ICERS wages screen).

3) *Corpus I* also found Employer's April 28, 2026 petition for an SSD offset sought to offset Employee's workers' compensation indemnity benefits by $383.74, which would reduce his compensation rate to $170.81—the same amount to which Employer had already changed Employee's compensation rate. (*Corpuz I* at 2, 8; experience; observations).

4) *Corpuz I* stated "Employer is entitled to offset Employee's *past and ongoing* TTD benefits[.]" *Corpuz I* ordered: "Employee's compensation rate *is* $170.81." (*Corpuz I* at 7-9 (emphasis added)).

5) On September 22, 2026, Employer petitioned the board for partial reconsideration of *Corpuz I*. Employer argues:

> "[Employer] petitions the Board for partial reconsideration of [*Corpuz I*]. The Board correctly ordered a SSDI offset under 8 AAC 45.225. It erred in ending the offset as of 4/22/26. If the [Employee] is disabled again after 4/22/26, [Employer] will have to petition the Board again for a SSDI offset. The order should be corrected to allow a comp rate of $170.81 per week for any period [Employee] receives TTD and SSDI concurrently, without an end date to the offset."

(Employer petition for reconsideration, September 22, 2026).

PRINCIPLES OF LAW

> **AS 23.30.001. Intent of the legislature and construction of chapter**. It is the intent of the legislature that
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> > (1) this chapter be interpreted so as to ensure the quick, efficient, fair, and predictable delivery of indemnity and medical benefits to injured workers at a reasonable cost to the employers who are subject to the provisions of this chapter;
> > (2) workers' compensation cases shall be decided on their merits except where otherwise provided by statute;
> > (3) this chapter may not be construed by the courts in favor of a party;
> > (4) hearings in workers' compensation cases shall be impartial and fair to all parties and that all parties shall be afforded due process and an opportunity to be heard and for their arguments and evidence to be fairly considered.

The board may base its decisions not only on direct testimony and other tangible evidence, but also on the board's "experience, judgment, observations, unique or peculiar facts of the case, and inferences drawn from all of the above." *Fairbanks North Star Borough v. Rogers & Babler*, 747 P.2d 528, 533-534 (Alaska 1987).

> **AS 44.62.540. Reconsideration**. (a) The agency may order a reconsideration of all or part of the case on its own motion or on petition of a party. To be considered by the agency, a petition for reconsideration must be filed with the agency within 15 days after delivery or mailing of the decision. The power to order reconsideration expires 30 days after the delivery or mailing of a decision to the respondent. If no action is taken on a petition within the time allowed for ordering reconsideration, the petition is considered denied.
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> (b) The case may be reconsidered by the agency on all the pertinent parts of the record and the additional evidence and argument that are permitted. . . .

A petition for reconsideration has a 15-day time limit for the request, and power to reconsider "expires thirty days after the decision has been mailed . . . and if the board takes no action on a petition, it is considered denied." *George Easley Co. v. Lindekugel*, 117 P.3d 734, 743 n. 36 (Alaska 2005).

> **AS 23.30.155. Payment of compensation**. . . .
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> (j) If an employer has made advance payments or overpayments of compensation, the employer is entitled to be reimbursed by withholding up to 20 percent out of each unpaid installment or installments of compensation due. More than 20 percent of unpaid installments of compensation due may be withheld from an employee only on approval of the board. . . . .

AS 23.30.155(j) permits withholding up to 20 percent of future compensation installments and can be invoked at an employer's discretion. *Davenport v. K&L Distributors, Inc.*, AWCB Decision No. 92-0180 (July 22, 1992).

> **AS 23.30.185. Compensation for temporary total disability**. In case of disability total in character but temporary in quality, 80 percent of the injured employee's spendable weekly wages shall be paid to the employee during the continuance of the disability. . . .

> **AS 23.30.225. Social security and pension or profit sharing plan offsets.** . . .
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> (b) When it is determined that, in accordance with 42 U.S.C. 401 - 433, periodic disability benefits are payable to an employee or the employee's dependents for an injury for which a claim has been filed under this chapter, weekly disability benefits payable under this chapter shall be offset by an amount by which the sum of (1) weekly benefits to which the employee is entitled under 42 U.S.C. 401 - 433, and (2) weekly disability benefits to which the employee would otherwise be entitled under this chapter, exceeds 80 percent of the employee's average weekly wages at the time of injury. . . .

> **8 AAC 45.225. Social security and pension or profit sharing plan offsets.**
> . . . .
> (b) An employer may reduce an employee's weekly compensation under AS 23.30.225(b) by
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> (1) getting a copy of the Social Security Administration's award showing the
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> (A) employee is being paid disability benefits;

> (B) disability for which the benefits are paid;
> (C) amount, month, and year of the employee's initial entitlement; and
> (D) amount, month, and year of each dependent's initial entitlement;
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> (2) computing the reduction using the employee or beneficiary's initial entitlement, excluding any cost-of-living adjustments;
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> (3) completing, filing with the board, and serving upon the employee a petition requesting a board determination that the Social Security Administration is paying benefits as a result of the on-the-job injury; the petition must show how the reduction will be computed and be filed together with a copy of the Social Security Administration's award letter;
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> (4) filing an affidavit of readiness for hearing in accordance with 8 AAC 45.070(b); and
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> (5) after a hearing and an order by the board granting the reduction, completing a Compensation Report form showing the reduction, filing a copy with the board, and serving it upon the employee.
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> . . . .

Under 8 AAC 45.225(b), the employer is required to secure an order from the board before it is entitled to offset its compensation liability against the employee's SSD benefits. Board regulations carefully delineate the procedure the employer must follow before its petition for an SSD offset will be considered by the board. *Applebee v. United Airlines Corp.*, AWCB Decision No. 13-0042 (April 24, 2013).

ANALYSIS

Should *Corpuz I* be reconsidered?

Employer contends the Board erred by only granting Employee a retroactive offset for the period March 1, 2024 to April 22, 2026. It believes it will be required to petition again for an SSD offset if Employee is found to be disabled after April 22, 2026.

Corpuz I ordered:

> (1) Employer was entitled to an offset of $383.74 per week for the period of March 1, 2024 to April 22, 2026;
>
> (2) Employee's compensation rate is $170.81;

(3) Employer has overpaid Employee by $43,581.00; and

(4) Employer is entitled to reduce indemnity payments to recoup the past overpayment of benefits.

Corpuz I also stated Employer is entitled to offset Employee's "past and ongoing" benefits and that Employee's compensation rate "is" $170.81 for all relevant periods.

Employee's compensation rate had already been changed, upon Employer's initiative and without board order, to $170.81 prior to Employer filing its April 28, 2026 petition requesting an SSD offset. This is the compensation rate Employer sought in its April 28, 2026 petition for SSD offset. And, as *Corpuz I* determined, this is the compensation rate to which Employee is entitled upon application of an SSD offset. To be clear, Employer is not entitled to apply an additional offset against Employee's already-offset compensation rate. *Rogers & Babler*.

As noted in *Corpuz I*, employers are required to obtain a board order before they may offset their compensation liability against an employee's SSD benefits. 8 AAC 45.225(b); *Applebee*. Because Employer did not obtain the required board order, order (2) in *Corpuz I* effectuated the $170.81 compensation rate.

To provide Employer the clarity it seeks, however, reconsideration shall be granted. Order (2) of *Corpus I* will be amended to clearly explain the $170.81 compensation rate applies to both (1) the March 1, 2024 to April 22, 2026 period; and (2) any future period in which Employee receives both SSD and workers' compensation indemnity benefits retroactively and prospectively.

CONCLUSIONS OF LAW

Corpuz I shall be reconsidered.

ORDER

1) Employer's September 22, 2026 petition for reconsideration is granted in accordance with this decision.

2) *Corpuz I* order (2) is amended to read as follows: "Employee's compensation rate is $170.81 for the period beginning March 1, 2024 and ending April 22, 2026. Employer is entitled to offset Employee's ongoing TTD benefits. Employee's compensation rate is $170.81 and shall remain $170.81 going forward."

Dated in Juneau, Alaska on October 7, 2026.

ALASKA WORKERS' COMPENSATION BOARD

/s/
Kyle Ruschell, Designated Chair

/s/
Debbie White, Member

/s/
Bradley Austin, Member

APPEAL PROCEDURES

This compensation order is a final decision. It becomes effective when filed in the office of the board unless proceedings to appeal it are instituted. Effective November 7, 2005 proceedings to appeal must be instituted in the Alaska Workers' Compensation Appeals Commission within 30 days of the filing of this decision and be brought by a party in interest against the boards and all other parties to the proceedings before the board. If a request for reconsideration of this final decision is timely filed with the board, any proceedings to appeal must be instituted within 30 days after the reconsideration decision is mailed to the parties or within 30 days after the date the reconsideration request is considered denied due to the absence of any action on the reconsideration request, whichever is earlier. AS 23.30.127.

An appeal may be initiated by filing with the office of the Appeals Commission: 1) a signed notice of appeal specifying the board order appealed from and 2) a statement of the grounds upon which the appeal is taken. A cross-appeal may be initiated by filing with the office of the Appeals Commission a signed notice of cross-appeal within 30 days after the board decision is filed or within 15 days after service of a notice of appeal, whichever is later. The notice of cross-appeal shall specify the board order appealed from and the ground upon which the cross-appeal is taken. AS 23.30.128.

RECONSIDERATION

A party may ask the board to reconsider this decision by filing a petition for reconsideration under AS 44.62.540 and in accord with 8 AAC 45.050. The petition requesting reconsideration must be filed with the board within 15 days after delivery or mailing of this decision. The power to order reconsideration expires 30 days after the date the decision was mailed. If no action is taken on a petition for reconsideration within the time allowed to order reconsideration, the petition is considered denied.

MODIFICATION

Within one year after the rejection of a claim, or within one year after the last payment of benefits under AS 23.30.180, 23.30.185, 23.30.190, 23.30.200, or 23.30.215, a party may ask the board to modify this decision under AS 23.30.130 by filing a petition in accord with 8 AAC 45.150 and 8 AAC 45.050.

CERTIFICATION

I hereby certify the foregoing is a full, true and correct copy of the Final Decision and Order in the matter of DAN P. CORPUZ, employee / claimant v. ALASKA AIR GROUP, employer; ALASKA AIRLINES, INC., insurer / defendants; Case No. 202312373; dated and filed in the Alaska Workers' Compensation Board's office in Juneau, Alaska, and served on the parties by certified U.S. Mail, postage prepaid, on October 7, 2026.

/s/
Trish Palmer, Workers' Compensation Technician