

THE HUMAN STANDARD

HC-ST-13A

HP-13 Part III Stress-Test Results

Permanent Earnings Loss and Transition to National Disability

COMPARATIVE GOVERNMENT-MODEL REVIEW • PRACTICAL SCENARIOS • HUMAN PARTY CORE QUESTIONS

Document control	HC-ST-13A
Status	CURRENT SUPPORTING STRESS TEST
Purpose	Stress test of the permanent earning-capacity and National Disability architecture now located primarily in HP-13 Part III.
Authority / successor	References to “Section 2” are reconciled to HP-13 Part III. Later integrated findings are supplemented by HC-ST-13C and HC-LOR-13.

Controlled library review date: July 31, 2026

Overall Finding

VERDICT • PASS WITH IMPLEMENTATION CONDITIONS

Part III answers the major moral, administrative, and vocational questions adequately. Its core design is stronger than current fragmented models because it combines automatic claim preservation, full earnings-gap protection, active placement responsibility, verified employment offers, trial-work restoration, and one coordinated record. Final enactment still requires actuarial modeling, precise indexing rules, administrative-capacity design, privacy controls, and legal transition planning.

Scope and Method

The section was tested against the current HP-13 working edition, the completed temporary income-replacement framework, official federal disability and employment-injury models, selected state workers’ compensation and vocational-rehabilitation models, practical claimant scenarios, and the seven Human Party core questions. Current systems were used as component evidence rather than as complete templates.

Current Governmental Models

Model	Existing feature	What it demonstrates	HP-13 disposition
Social Security Disability Insurance	Defines disability primarily around inability to engage in substantial gainful activity; provides work incentives including a trial work period.	Useful precedent for protected work attempts and keeping entitlement available during a test of work. It does not ordinarily replace a partial lifetime earnings gap.	Borrow the trial-work principle; reject the all-or-nothing eligibility boundary.
Federal Employees’	Provides compensation for loss	Strong precedent for wage-gap	Borrow the machinery; strengthen

Model	Existing feature	What it demonstrates	HP-13 disposition
Compensation Act / OWCP	of wage-earning capacity, vocational rehabilitation, work-capacity evaluation, and suitable-work rules. Actual or constructed earning capacity may reduce compensation.	concepts, vocational specialists, work-capacity evidence, and rehabilitation. Risk: benefits may be reduced based on identified target occupations even without actual placement.	it by requiring government-assisted placement and a verified offer before imputation.
Federal-State Vocational Rehabilitation	State VR programs, overseen by the Rehabilitation Services Administration, aim to maximize employment and integration in competitive labor markets through coordinated services.	Useful delivery network for individualized assessment, training, counseling, placement, and support.	Integrate services into the claim rather than requiring a separate applicant journey.
Washington workers' compensation vocational model	Uses vocational assessments, job analyses, labor-market surveys, and bona fide return-to-work offers consistent with documented restrictions.	Strong state precedent for validating work requirements and market availability. Risk: valid offers may terminate temporary benefits even when the person declines.	Borrow verification, credentialed review, and labor-market analysis; retain stronger good-cause and benefit-continuity protections.
California permanent-disability model	Recognizes lasting disability after maximum medical improvement and uses impairment-based permanent-disability benefits; current rules do not simply calculate the person's actual wage gap.	Useful contrast for defining medical stability and showing the administrative weight of separate impairment ratings.	Use the two-pathway permanence test; do not create a separate impairment claim at launch.

Comparative Finding

No reviewed model combines all of Part III's elements. The design is therefore an integration of tested components rather than an untested invention from whole cloth. FECA supplies the closest wage-earning-capacity machinery; SSDI supplies a work-trial precedent; federal-state vocational rehabilitation supplies employment services; Washington supplies detailed job-analysis and labor-market verification; and California supplies a contrasting impairment-centered model and a medical-stability benchmark.

Where Part III Improves on Current Models

- It opens and preserves the long-term disability claim automatically instead of requiring a second application.
- It replaces 100% of the verified earnings gap rather than forcing an all-or-nothing disability threshold.
- It uses actual earnings by default and bars reductions based on occupations that exist only on paper.
- It makes government responsible for helping obtain the better-paying job it claims is available.
- It requires employment offers to be submitted to both the claimant and department and verified before affecting benefits.
- It preserves benefits through entry-level career progression and failed work attempts caused by disability.
- It separates healthcare, temporary wage replacement, and permanent earnings loss without making the person navigate the boundaries.
- It omits a separate impairment claim unless five-year outcome reviews demonstrate an unmet need.

Practical Scenario Stress Tests

Scenario	Stress	Part III response	Finding
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Scenario	Stress	Part III response	Finding
Return to same job and earnings	The worker achieves full recovery and returns at indexed prior earnings.	Section 1 closes. Part III never activates.	Pass. No unnecessary permanent claim.
Permanent restriction, lower-paid work	A skilled worker permanently loses capacity for the old trade and earns less in suitable work.	Disability pays 100% of the verified gap while vocational services pursue restored earnings.	Pass. Protects work and income together.
Retraining into a new profession	The person starts below prior wages but has a documented career ladder.	Benefits taper only with actual earnings; projected advancement guides services but does not reduce current payments.	Pass with requirement for documented milestones and periodic supportive review.
Government identifies a better job	A labor-market review finds a higher-paying suitable vacancy.	Government must help obtain it; the offer must be written, verified, medically suitable, and submitted to both parties.	Pass. Opportunity must become real before capacity is imputed.
Worker refuses suitable offer	A verified offer meets restrictions and restores substantial earning capacity, but the worker declines.	Adjustment is permitted only after individualized review and absence of good cause.	Pass with robust notice and appeal.
Sham or short-lived offer	An employer offers nominal work designed to terminate benefits.	The offer fails verification for duration, authenticity, or actual terms and cannot reduce benefits.	Pass.
Failed trial work	The person attempts work but disability symptoms force withdrawal.	Prior benefit restores automatically without a new application.	Pass. No penalty for courage.
Economic layoff	Suitable work ends because of a recession rather than the injury.	Unemployment protection applies first; disability protection adjusts only when disability materially obstructs reemployment.	Pass with careful causation rules.
Continuing maintenance care	The person remains in pain management or periodic therapy after curative treatment ends.	Maintenance care does not block a permanence finding or vocational evaluation.	Pass.
Catastrophic injury without wage loss	Healthcare, accommodations, and services meet needs and earnings remain whole.	No separate impairment cash claim at launch; the five-year review evaluates unmet needs.	Conditional pass. Requires transparent outcome tracking and legislative responsiveness.
Agency delay or fund dispute	Temporary branch and disability branch disagree over responsibility.	Benefits continue; agencies reconcile internally.	Pass. Minimum disturbance is preserved.

Human Party Core Questions Stress Test

Core question	Finding	Assessment
Protects inherent human worth	PASS	The system preserves income, continuity, healthcare access, career dignity, and the life built through work. It avoids treating the person as a body-part rating or a burden to be routed.
Preserves liberty without enabling	PASS WITH	The person may work, retrain, and attempt a new career without losing the

Core question	Finding	Assessment
oppression	SAFEGUARDS	safety net. Government cannot compel acceptance of unsuitable work. Safeguards must retain good-cause review, appeal, and protection against coercive placements.
Administers justice equitably and transparently	PASS	The formula is based on actual loss, written evidence, verified offers, published standards, and explained decisions. Equality of process is strengthened by individualized vocational facts rather than fictional uniformity.
Expands realistic human opportunity	STRONG PASS	Training, credentials, accommodations, placement, employer outreach, and career progression are affirmative obligations. Opportunity is measured by whether the person can actually reach it.
Assigns responsibility clearly	PASS	Healthcare handles care; employment-injury protection handles temporary wage loss and recovery; Disability Insurance handles permanent earnings loss; employers fund occupational risk; government performs routing and reconciliation.
Uses evidence honestly	PASS WITH DATA DUTIES	Actual earnings control unless clear medical, vocational, and labor-market evidence proves a higher capacity. Five-year reviews must publish outcomes, including sustained earnings, failed placements, appeals, and unmet catastrophic needs.
Remains open to correction	STRONG PASS	The five-year review permits evidence-based additions or changes, including a narrowly tailored impairment benefit if real unmet need appears. The governing promise remains fixed while machinery can improve.

Unanswered or Implementation-Level Questions

- Exact indexing method for the earnings-restoration target, including treatment of variable hours, commissions, self-employment, interrupted careers, and unusually volatile earnings.
- Actuarial cost of 100% gap replacement under low, baseline, and high-disability scenarios.
- Length and rules of the protected trial-work period, including reporting cadence and treatment of fluctuating conditions.
- Objective standards for sustained employment before claim closure.
- Caseload weights and statutory ceilings for ordinary, complex, and catastrophic cases.
- Qualifications, independence, and conflict rules for treating-practitioner review, occupational evaluation, agency medical staff, and vocational providers.
- Privacy architecture for a unified medical-employment record, including role-based access, logs, retention, and claimant visibility.
- Interaction with unemployment insurance, retirement conversion, self-employment, union hiring systems, and interstate work.
- Funding allocation between the employment-injury branch and Disability Insurance after the permanent transition.
- Judicial-review standards and remedies when the agency misses deadlines or uses an invalid offer.

Required Implementation Safeguards

- No temporary benefit may terminate before the first permanent-disability payment is active.
- Actual earnings remain controlling until suitable work begins or a verified bona fide offer is refused without good cause.
- Projected advancement may guide services but may not reduce current benefits.

- Every offer affecting benefits must be written, simultaneously served, and independently verified.
- Any adverse decision must identify the evidence, calculation, reviewer qualifications, and appeal deadline.
- Benefits continue during timely appeal unless fraud is established through due process.
- Automated systems may flag or calculate but may not issue final adverse medical or vocational determinations without human review.
- Five-year reviews must include claimant-reported outcomes and independent disability-rights participation, not merely agency cost data.
- Stronger state protections and vested claims must survive the federal transition.
- Universal-healthcare implementation may shift medical financing but may not reduce access or interrupt the Part III transition.

Final Assessment

Part III survives both comparative and Human Party stress testing. It answers the questions that current systems often divide among separate agencies: when temporary recovery ends, who decides permanence, how work capacity is measured, who must make opportunity real, how earnings are restored, what happens when work fails, and who bears the burden of administrative coordination.

The remaining risks are engineering risks rather than a missing moral center. The section should proceed into formal actuarial, legal, disability-rights, labor-market, and administrative-capacity review without reopening its governing principles.

Source Notes

Source	Use in analysis	Official reference
Social Security Administration	Current disability definition and work incentives, including the trial work period.	https://www.ssa.gov/disability/professionals/bluebook/general-info.htm ; https://www.ssa.gov/disability/work
U.S. Department of Labor, OWCP/FECA	Loss of wage-earning capacity, vocational rehabilitation, work-capacity evaluation, suitable work, and compensation adjustment.	https://www.dol.gov/agencies/owcp/FECA/regs/compliance/DFECfolio/RCHB/part2 ; https://www.dol.gov/agencies/owcp/FECA/regs/compliance/DFECfolio/RCHB/part10 ; https://www.dol.gov/agencies/owcp/FECA/regs/compliance/DFECfolio/RCHB/part3
U.S. Department of Education, Rehabilitation Services Administration	Federal-state vocational rehabilitation purpose and coordinated employment services.	https://www.ed.gov/about/ed-offices/osers/rsa
Washington State Legislature and Department rules	Vocational rehabilitation, job analysis, labor-market surveys, and bona fide offers consistent with documented restrictions.	https://app.leg.wa.gov/rcw/default.aspx?cite=51.32.095 ; https://app.leg.wa.gov/rcw/default.aspx?cite=51.32.096 ; https://app.leg.wa.gov/wac/default.aspx?cite=296-19A-140 ; https://app.leg.wa.gov/WAC/default.aspx?cite=296-19A-170
California Department of Industrial	Permanent-disability and maximum-medical-improvement concepts;	https://www.dir.ca.gov/dwc/permanentdisability.htm ; https://www.dir.ca.gov/t8/10152.html

Source	Use in analysis	Official reference
Relations	separate impairment-centered benefit structure used as a contrast.	

Source snapshot reviewed July 2026. This memorandum is policy analysis, not legal advice. Current statutes, regulations, rates, and agency practices must be refreshed during implementing-law drafting.

Document Relationships and Revision Status

Controlling policy: HP-13, Social Security and National Worker Protection, Controlled Working Edition (July 31, 2026).

- **Policy basis:** Tested language must be read against the current HP-13 controlling working edition.
- **Issue status:** Findings already resolved by later policy language are historical; unresolved dependencies remain active until formally closed.
- **Later review:** HC-LOR-13 supplements the stress-test record with legal and operational issue spotting.