



New York City Transit

July 25, 2025

President John V. Chiarello
Transport Workers Union Local 100
195 Montague St, 3rd Floor
Brooklyn, NY 11201

Dear President Chiarello,

Re: Differential Payments

As per our conversation earlier, this letter provides an update regarding the timing of differential payments to eligible NYCT employees with claims originating prior to May 19, 2025.

Earlier this year the administration of all NYCT workers compensation claims transitioned to Sedgwick, a third-party workers compensation program administrator. This included both new claims, and the administration of over 13,000 legacy claims pre-dating the handover. At the time of the transition, approximately 3,600 legacy claims were identified as likely eligible for on-going indemnity payments from Sedgwick. To ensure continuity of payments during the transition, the MTA elected to prepay indemnity and differential payments to these recipients from May 16th through July 4th. Despite these efforts, however, at the end of the six-week period, transition-related processing issues caused a delay in recipients' indemnity payments, which impacted the MTA's ability to review and process differentials claims. As per the attached letter from Sedgwick, 66% of ongoing workers comp recipients were paid within six days of the due date while 33% were paid seven or more days after the due date.

While approximately 35% of workers compensation recipients are eligible for differential payments from NYCT in addition to workers compensation indemnity payments, we are still required to review every claim to determine eligibility. Due to the processing delays, most differential payments for legacy claims were delayed during the last pay cycle. However, we were able to process approximately 600 differential payments this week and continue the verification process for the next pay cycle on Thursday, July 31st. Going forward, I have requested Sedgwick provide daily reports to allow management to verify Sedgwick's payment schedule and ensure receipt of the data required to determine differential eligibility.

July 25, 2025
Re: Differential Payments

On behalf of NYCT, I regret any inconvenience created by these delayed payments during the transition to this new and improved system for workers compensation claims administration.

Regards,



Demetrius Crichlow
President, NYCT

July 24, 2025

Valerie Dabas
New York City Transportation Authority
2 Broadway
New York, NY 10004

Dear Valerie,

RE: Workers' Compensation Administration

This letter provides a status update regarding the processing of indemnity payments following the May 19, 2025 transition of the NYCT workers' compensation program to Sedgwick.

Of the 13,000 claims transferred, 8,167 legacy claims were either partially or fully reviewed for potential ongoing indemnity payments. Following this triage, 3,586 were confirmed as eligible for continuing indemnity payments in accordance with the state of New York workers' compensation statute. The difference between the total number of claims reviewed and those deemed eligible for payment reflects cases where the worker no longer qualifies for ongoing benefits under state guidelines.

As of Tuesday, July 22, Sedgwick has issued the appropriate indemnity payments for the identified legacy claims. However, we are aware there have been some delays in eligible claimants receiving indemnity payments as a result of our review process for transferred claims.

Sedgwick understands and appreciates the expectation by the employees of NYCT that they receive their next scheduled indemnity benefit within 14 days of the last date through which indemnity was paid. Of the claims reviewed, approximately 66% were made within six days of the next payment being expected by the employee, and approximately 33% were made seven days or more after the employee would've expected the payment.

Approximately 3,560 (99%) of the payments were made within the New York workers' compensation statutory guidelines of a due date of 25 days after the last date of indemnity paid.

We understand that NYCT employees and their families may have been impacted by these delays. To increase visibility into the timeliness of payments, Sedgwick provides daily reports for claim payments made the previous day to NYCT.

Sedgwick's team is devoted to the well-being of NYCT employees, combining professionalism with compassion in every case. We are here to support employees through this process and are working diligently to ensure their needs are met.

Sincerely,

Jennifer Keener

Jennifer Keener
Managing Director
