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- Take Note
- Milestones

State of California

DWCNewsline

Division of Workers' Compensation
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Internet Web Page: <http://www.dir.ca.gov>

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Notice of rulemaking and public hearings for revisions to the 2005 permanent disability rating schedule

The Division of Workers' Compensation (DWC) has proposed regulations to revise the 2005 permanent disability rating schedule (PDRS). The proposed regulations would provide an average benefit increase of 16 percent to injured workers.

The proposal is posted on the DWC Web site at http://www.dir.ca.gov/dwc/DWCPropRegs/PDRS/PDRS_Regulations.htm and has been forwarded to the Office of Administrative Law for publication in the California Notice Registry. Public hearings on the regulations have been scheduled for:

Date: July 21, 2008

Time: 10 a.m. to 5 p.m., or until conclusion of business

Place: Ronald Reagan State Office Building – auditorium

300 South Spring Street

Los Angeles, CA 90013

Date: July 22, 2008

Time: 10 a.m. to 5 p.m., or until conclusion of business

Place: Elihu Harris State Office Building – auditorium

1515 Clay Street

Oakland, CA 94612

Members of the public may comment on the proposed regulations until 5 p.m. on July 22, 2008.

Permanent disability benefits are paid to injured workers whose injuries result in permanent impairment. The PDRS contains the administrative formula used to calculate a percentage of disability following a doctor's determination of that impairment.

Under this DWC proposal, the future earnings capacity (FEC) multiplier—a key factor in determining benefit amounts received by injured workers—would be adjusted to reflect data on wages lost by workers with specific injury types, such as injuries to the spine, hand and knee.

The proposal would increase the FEC range—the total spread of the numeric FEC formula—from the existing range of 1.1 to 1.4 to a new range of 1.2 to 1.5, reflecting DWC’s updated wage loss information.

In addition to increasing the FEC range, injury types would be re-ranked within the range to correlate with wage loss: Injuries with higher wage loss (such as spine or wrist injuries) would receive a greater upward adjustment, while those with lower wage loss (such as knee injuries) would receive less of an upward adjustment.

Further, this proposal would change age adjustment factors in the PDRS to reflect the latest data. Under the current schedule, workers below age 37 receive a decrease in their rating and those over 41 get an increase. This proposal would delete the decrease and only provide an increase for those under age 21 and over age 52.

The proposed PDRS regulations are authorized by Labor Code section 4660. These regulations were previously posted to the DWC’s online forum for public comment in May of 2008.

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