

Surprised About Value of Permanent Disability Indemnity for Injuries On/After 1-1-05?

Many in the workers compensation industry have recently been or are about to be surprised to find out that the money value PD awards are often smaller for 2005 injuries than for 2004 injuries.

Although the "maximum PD rate" increased from \$200.00/wk (2004) to \$220.00/wk (2005), the number of weeks of indemnity payable was reduced in many cases by addition of L.C. 4658(d).

Compare the following values of awards of percentages of disability:

	2004	2005
10%	40.25 wks @ \$200 = \$8,050.00	30.25 wks @ \$220 = \$6,957.50
20%	90.25 wks @ \$200 = \$18,050.00	75.50 wks @ \$220 = \$17,365.00
32%	159.75 wks @ \$200 = \$31,950.00	145.00 wks @ \$220 = \$31,900.00

Awards of permanent disability higher than 32% will be worth more dollars for a 2005 injury compared to a 2004 injury. And the differences grow even faster/larger when the award of permanent disability exceeds 70%.

For more on this phenomenon, see L.C. § 4658(c) and (d)