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# DWCNewsline

Division of Workers' Compensation  
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## **Division of Workers' Compensation releases report on wage loss for permanently disabled workers**

The Division of Workers' Compensation (DWC) has released the first portion of its analysis of wage loss information on permanently disabled workers. The report provides wage loss information on workers injured between Oct. 1, 2000 and Jun. 30, 2003 and, when compared with analysis done by the RAND Corporation on the wages lost by permanently disabled workers injured between 1991 and 1996, shows that wage loss was very similar between the two time periods. For more information on the data analysis, please visit the division's Web site at <http://www.dir.ca.gov/dwc/WageLossForInjuredWorkerswithTD/WageLossForInjuredWorkerswithTD.htm>.

“This analysis gives us a baseline so we can move on to the more detailed study of uncompensated wage loss,” said DWC acting Administrative Director Carrie Nevans. “We needed this step to validate the data we're using and the methodology to ensure consistency and accuracy.”

The regulations establishing the 2005 Permanent Disability Rating Schedule (PDRS) require the DWC to compile data for at least 18 months, analyze the data to determine the effects of the new PDRS and revise the diminished future earning capacity adjustment, if necessary, based on the data.

To fully evaluate the effects of the 2005 PDRS, it is necessary to conduct a comprehensive wage loss study. However, a comprehensive wage loss study requires three years of post-injury wage data, which will not be available until late 2008 for workers rated under the 2005 PDRS. In lieu of a full wage loss study, and in order to more swiftly evaluate the effects of the new PDRS, the DWC has developed a research plan, broken into three phases, to analyze the schedule.

DWC's [return-to-work](#) study released in January, represents the first phase of the research plan. The retrospective wage loss study reported in this release represents the first part of the second phase of analysis. Research still to be completed in phase two includes correlating return-to-work rates and indemnity payments to determine uncompensated wage loss under the 1997 PDRS and

comparing that data to the 2005 PDRS. Phase three is the ongoing update of return-to-work and wage loss data.

The information gleaned from this analysis provides a benchmark to prior studies, while the additional wage loss calculations to be conducted by DWC will determine how much uncompensated wage loss is sustained by permanently disabled workers.

Once the more detailed analysis needed to complete phase two of the DWC's research plan is concluded, the DWC will hold two public forums to discuss the data analysis.

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