

COLA and The Annual 'Check Up' 2025

How to Apply COLA to Lifetime Benefits

Law Offices of Bradford & Barthel, LLP

Tim Mussack

AMA Analysis & Indemnity Valuations

ratings@bradfordbarthel.com



Bradford & Barthel



Bradford & Barthel,
LLP



@bradfordbarthel



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Meet our Team

Tim Mussack Director, AMA Analysis & Indemnity Valuations tmussack@bradfordbarthel.com		Kenneth Tolbert Expert Consultative Rating Specialist ktolbert@bradfordbarthel.com	
Donald Barthel, Esq. Founding Partner dbarthel@bradfordbarthel.com		Tahmeena Ahmed, Esq. Executive Managing Partner tahmed@bradfordbarthel.com	



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COLA and Commutations

- ▶ COLA (SAWW)
- ▶ Life Time Benefits and Commutations
 - Theory and Application
 - COLA and Life Time Benefits
 - Attorney Fees – Reductions
- ▶ Commutations – Introduction on “How to”



COLA – Cost of Living Adjustment Summary

- ▶ SAWW is calculated using Dept of Labor average weekly wage reported in 1st quarter, compared to prior year first quarter.
 - https://oui.doleta.gov/unemploy/data_summary/DataSum.asp
- ▶ COLA is based on increase of SAWW from year to year.
 - If SAWW decreases, no change is made



COLA – Summary

- ▶ Maximum/Minimum Wages and TTD Rates
 - LC 4453 (a) (10)
 - Death Benefits – indirectly – [LC 4702 (b); LC 4661.5 = ‘2 year rule’]
- ▶ COLA applies to Life Time Benefits (70% or more)
 - LC 4659 (c)
 - Applied on January 1 of the year after the beginning of PTD or Life Pension, and every January 1 thereafter, for dates of injury Jan 1, 2003 and later



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SAWW – COLA

- ▶ DIR/DWC Newsline

October 16, 2024

- ▶ DWC Announces Temporary Total Disability Rates for 2025



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SAWW – COLA

- ▶ From statistics provided by the U.S. Department of Labor: In the 12 months ending March 31, 2024, the California SAWW INCREASED from \$1,642 (reduced the prior year from \$1651 to \$1642) to \$1,704—an INCREASE OF \$62.

- ▶ Increase in SAWW = COLA for 2025 =

3.77588%



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SAWW – COLA

AWE/TTD for 2024 DOI – increases based on SAWW increase/COLA

- ▶ \$378.05 minimum AWE x 2/3 =
 - **\$252.03 minimum TTD rate**
- ▶ \$2,520.43 maximum AWE x 2/3 =
 - **\$1,680.29 maximum TTD rate**



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SAWW – COLA

▸ Recent SAWW/COLA history:

Year	SAWW	SAWW increase
2025	\$1,704.00	3.77588%
2024	\$1,642.00	0%
2023	\$1,651.00	5.15924%
2022	\$1,570.00	13.5213%
2021	\$1,383.00	4.377%



COLA – Effects

- TTD
 - Death Benefits – can be impacted indirectly
- Life Time Benefits – 70% or Greater:
 - Life Pension
 - PTD (100%)
 - DOI \geq 1/1/2003



COLA – TTD

- ▶ TTD
 - TTD Rate = $\frac{2}{3}$ of AWE at time of injury
 - Maximum and Minimum Earnings
 - Maximum and Minimum Earnings adjusted annually by SAWW/COLA increases

 - TTD Rate is capped by AWE ($\times \frac{2}{3}$)



TTD Benefits

- ▶ 2 year rule
 - Benefits paid 2 years after DOI subject to maximum and minimum earnings at time of payment.
 - LC4661.5

 - If Earnings were more than the maximum, or near the minimum on Date of Injury, a TTD Rate adjustment could apply

- ▶ LC 4656 – 240 weeks for some injuries



COLA – TTD Rates

	Max AWE	Max TTD
▶ 2017	1758.91	1172.57
▶ 2018	1822.91	1215.27
▶ 2019	1877.07	1251.38
▶ 2020	1949.15	1299.43
▶ 2021	2034.47	1356.31
▶ 2022	2309.56	1539.71
▶ 2023	2428.72	1619.15
▶ 2024	2428.72	1619.15
▶ 2025	2520.43	1680.29



COLA – Death Benefits?

- ▶ NOT DIRECTLY
- ▶ Death Benefits
 - In the same manner as TTD
 - 2 year rule
 - Statutory Death Benefit
 - Dependent Minor



COLA and Death Benefits

- ▶ *Mierczynski vs. City of Fullerton* – WCAB Panel
- ▶ The WCAB Panel affirmed that COLA does not apply directly to Death Benefits.
- ▶ The 4th District Court of Appeal denied review.
- ▶ while the decision in *Phillips v. Sacramento Municipal Utilities District* (1998) 63 Cal. Comp. Cases 585 (Appeals Board en banc opinion), provides that benefits paid two or more years after date of injury are increased to rate in effect at time of payment, as WCJ found, such payments do not increase beyond amount supported by rate of earnings.



Death Benefits

- ▶ LC 4661.5 (the ‘two year rule’) should apply to Death Benefits, and that ruling remains in effect
- ▶ Average Weekly Earnings at time of injury are relevant, and serve to set the final cap for Death Benefit rates. TTD/Death benefits are 2/3 of AWE, subject to maximums and minimums that do increase based on COLA.



Death Benefits – Rate

▶ LC 4702 (b)

“A death benefit in all cases shall be paid in installments **in the same manner and amounts as temporary total disability indemnity** would have to be made to the employee...” minimum \$224

▶ LC 4661.5

...when any temporary total disability indemnity payment is made two years or more from the date of injury, the amount of this payment shall be computed in accordance with the [TTD AWE] in effect on the date each...payment is made...



Death Benefits – Rate

- ▶ COLA can affect Death Benefits indirectly, but COLA is not directly applied.

Example: 7/8/2017 Injury/Death.

1) $AWE = \$1200 \times \frac{2}{3} = \$800.$

2) $AWE = \$2100 \times \frac{2}{3} = \$1400.$



DOI: 7/8/2017 – AWE \$1200

	Max AWE	Min AWE	Death Benefit
▶ 2017	1758.91	263.82	800.00
▶ 2018	1822.91	273.44	800.00
▶ 2019	1877.07	281.57	800.00 – 7/8/19
▶ 2020	1949.15	292.37	800.00 – 1/1/20
▶ 2021	2034.47	305.16	800.00 – 1/1/21
▶ 2022	2309.56	346.42	800.00 – 1/1/22
▶ 2023	2478.72	364.29	800.00 – 1/1/23
▶ 2024	2478.72	364.29	800.00 – 1/1/24
▶ 2025	2520.43	378.05	800.00 – 1/1/25



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DOI: 7/8/2017 – AWE \$2100

	Max AWE	Max TTD	Death Benefit
▶ 2017	1758.91	1172.57	1128.43
▶ 2018	1822.91	1215.27	1128.43
▶ 2019	1877.07	1251.38	1251.38 – 7/8/19
▶ 2020	1949.15	1299.43	1299.43 – 1/1/20
▶ 2021	2034.47	1356.31	1356.31 – 1/1/21
▶ 2022	2309.56	1539.71	1400.00 – 1/1/22
▶ 2023	2478.72	1619.15	1400.00 – 1/1/23
▶ 2024	2478.72	1619.15	1400.00 – 1/1/24
▶ 2025	2520.43	1680.29	1400.00 – 1/1/25



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COLA – Lifetime Benefits

- *Baker v. WCAB* (CA Supreme Court)
 - COLA begins January 1 after entitlement to applicable benefit • [1/20/2004 DOI; no TTD weeks limit in this case]
- *Brower v. David Jones Construction* (WCAB En Banc)
 - PD entitlement is based on end of TTD [TTD cap]

COLA is applied every January 1st AFTER a Lifetime Benefit begins



COMMUTATIONS

- Commutations and Lifetime Benefits
 - Attorney fees Reductions to weekly benefit
- Application of COLA to Lifetime Benefits
 - How to apply COLA to Lifetime Benefits
 - With and without reductions



Commutations

Paying Benefits in Advance Most frequently = attorney fees



LC 5100 – WCAB approval

LC 5101 – Interest Credit of 3% per annum
built into DEU Commutation templates

Commutations Templates calculate the effect
of the advance payment and interest credit



Commutations

- ▶ One excel worksheet
 - Which Commutation template
 - Ex A, B, C, D, E, F, G
- ▶ Life Expectancy Tables (needed for lifetime benefit projections – PTD and Life Pension)
 - <http://www.dir.ca.gov/osip/LifeExpectancyTables2014.pdf>
- ▶ Commutation Table 1 applies to benefits with a fixed end date (PPD)
- ▶ Commutation Table 2 (for a male) or Table 3 (for a female) applies to lifetime benefits



Commutations

- ▶ At times, attorney fees might be paid from accrued/ unpaid PPD – without commutation
- ▶ The two most common commutations requested/ approved are:
 - Off the Far End
 - Uniform (Constant) Reduction
 - *Be aware of Uniformly Increasing Reduction*
- ▶ There will be separate attorney fee calculations/commutations for a Life Pension case – one for PD, one for LP.
 - If commutation of PD is “off the far end”, benefits end sooner; if Life Pension applies, it results in a gap in benefits between the end of PD and beginning of Life Pension benefits



Life Time Benefits

- ▶ DOI 1/1/2003 and after
- ▶ Increase current benefits by SAWW/COLA effective 1/1/2025
 - Does not affect benefits that have not begun to accrue.
- ▶ Rate Reduced by “Uniform Reduction”
 - Increase Rate Before Reduction, then apply Reduction
 - Uniform (Constant) Reduction
 - Uniformly INCREASING Reduction



COLA Effects – Life Pension

Example: 7/13/2009 DOI

- ▶ 3/15/2020 Award
 - 83% PPD Start date 7/19/2012
 - 641.25 weeks
- ▶ Life Pension Start 11/1/2024
 - Life Pension Start Rate \$177.81
- ▶ Attorney Fees are commuted “from the side”
(By Uniform Reduction)



G) COMMUTATION OF A PORTION OF DEFERRED LIFE PENSION BY UNIFORM REDUCTION OF LIFE PENSION

Date of birth:	01/06/62
DOI:	07/13/09
PD start:	07/19/12
DOC:	03/12/20

Total weeks PD:	641.2500
Life pension rate:	\$177.81
Gender:	Male
Amount to commute:	\$20,449.65



1 Determine exact age in years as of date of commutation (DOC).	
1a # of days from DOB through DOC.....	21250
1b Divide by average number of days per year.....	365.24
1c Exact age on DOC.....	58.181
2 Determine number of years between DOC and LP commencement.	
2a Total weeks of PD.....	641.25
2b Multiply by 7 days per week.....	7
2c Total days of PD.....	4488.8
2d Subtract #days from PD commencement through DOC inclusive.....	2794.0
2e Number of days from DOC to LP commencement.....	1694.8
2f Divide by average number of days per year.....	365.24
2g Period in years from DOC to LP commencement (i.e. deferral period).....	4.640
3 Determine PV of life pension for exact age and deferral period.*	
3a Enter PV for age 58 and deferral period 4.....	553.39
3b Enter PV for age 59 and deferral period 4.....	533.23
3c Difference of 3a and 3b.....	20.16
3d Multiply by fractional portion of 1c.....	0.181
3e Interpolation adjustment for age.....	3.65
3f Enter PV for age 58 and deferral period 4.....	553.39
3g PV for age 58 and deferral period 5.....	510.86
3h Difference of 3f and 3g.....	42.53
3i Multiply by fractional portion of deferral period (from 2g).....	0.640
3j Interpolation adjustment for deferral period.....	27.22
3k PV for age below 1c and deferral period below 2g (3a from above).....	553.39
3l Subtract sum of 3e and 3j.....	30.87
3m PV for exact age and deferral period on DOC.....	522.52
* Take values from Table 2 - Present Value of Life Pension for a Male, or Table 3 - Present Value of Life Pension for a Female, as dictated by gender.	
4 Calculate amount of reduction in LP rate necessary to produce lump sum.	
4a Amount to be commuted.....	\$20,449.65
4b Divide by 3m.....	522.52
4c Amount of weekly reduction in LP.....	\$39.14
5 Calculate LP rate after commutation.	
5a LP rate before commutation.....	\$177.81
5b Subtract weekly reduction in LP (4c from above).....	39.14
5c LP rate after commutation.....	\$138.67
6 Additional interest due for payment after date of commutation:	
Additional interest due for each day late.....	\$5.60



Commutation of PD “off the far end”

- ▶ LC 4659
- ▶ If PD is at least 70%...life pension is “to be paid during the remainder of life, after payment for the maximum number of weeks specified in Section 4658 has been made”

70%



Method #1 notes:


Method #1 is the Uniform Reduction Method. The weekly deduction remains constant or uniform for the life of the injured worker. The reduction becomes effective on the day after the date of commutation.

Method #2 notes:

Method #2 is the Uniformly Increasing Reduction Method. The weekly reduction increases every year effective January 1st by the same fixed percentage equal to the "Assumed annual SAWW increase" listed above. The initial reduction becomes effective on the day after the date of commutation. For the convenience of the parties, the reductions for the current year plus the next fifteen years are shown below.

(Input year LP starts)	Year	Reduction:
	2024	\$26.67
	2025	\$27.47
	2026	\$28.30
	2027	\$29.14
	2028	\$30.02
	2029	\$30.92
	2030	\$31.85
	2031	\$32.80
	2032	\$33.79
	2033	\$34.80
	2034	\$35.84
	2035	\$36.92
	2036	\$38.03
	2037	\$39.17
	2038	\$40.34
	2039	\$41.55

* The claims administrator is cautioned that when calculating the annual increase in PTD pursuant to LC 4659(c), the applicable SAWW adjustment is to be applied to the pre-reduced PTD rate, i.e. the rate before reduction for any prior commutations.




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COLA Effects – Life Pension

- ▶ From the DEU Attorney Fee/Commutation Calculator:

* The claims administrator is cautioned that when calculating the annual increase in PTD pursuant to LC 4659(c), the applicable SAWW adjustment is to be applied to the prereduced PTD rate, i.e. the rate before reduction for any prior commutations.



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COLA Effects – Life Pension

Method #1 is the Uniform Reduction Method.

- ▶ “The weekly deduction remains constant or uniform for the life of the injured worker. The reduction becomes effective on the day after the date of commutation.”

5 Calculate LP rate after commutation.

5a LP rate before commutation.....	\$177.81
5b Subtract weekly reduction in LP (4c from above).....	- 39.14
5c LP rate after commutation.....	\$138.67



COLA Effects – Life Pension

Method #2 is the Uniformly Increasing Reduction Method.

- ▶ “The weekly reduction increases every year effective January 1st by the same fixed percentage equal to the "Assumed annual SAWW increase" listed above. The initial reduction becomes effective on the day after the date of commutation. For the convenience of the parties, the reductions for the current year plus the next fifteen years are shown below.”



Uniformly Increasing Reduction

▶ Year	Reduction:
▶ 2024	\$26.67
▶ 2025	\$27.47
▶ 2026	\$28.30
▶ 2027	\$29.14
▶ 2028	\$30.02
▶ 2029	\$30.92
▶ 2030	\$31.85
▶ 2031	\$32.80
▶ 2032	\$33.79
▶ 2033	\$34.80



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Uniformly Increasing Reduction

- ▶ The Reduction increases annually by 3% for the duration of the Life Pension Benefit.
- ▶ Check the Award specifics for the amount of annual increase.
- ▶ Current 'standard' uniform increase is 3% annual.
- ▶ Older Awards might use 4% Annual Increase



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Uniformly Increasing Reduction

- With a Uniformly Increasing Reduction, the rate before reduction is adjusted by COLA; the weekly reduction is also adjusted, by a fixed percent as established within the Award.
- This method is far less common now, but had been used more frequently on Awards prior to 2014.



#1) Uniform (constant) Reduction

The Uniform Reduction (\$39.14 in this example) is then subtracted from the updated rate before reduction.

- One formula for calculation of COLA increase:

2024 Start Rate = \$177.81

• Minus \$39.14 = \$138.67 to the injured worker

2025 COLA = 3.77588%

• \$177.81 x 1.0377588 = \$184.52 (rate before reduction)

• Minus \$39.14 = \$145.38 to the injured worker

2026 COLA = ?

• \$184.52 x 1.[COLA] = \$xxx.xx (rate before reduction)

• Minus \$39.14 = \$xxx.xx to the injured worker



Uniform Reduction

▶ **2025 COLA = 3.77588%**

For Benefits Payable Effective 1/1/2025:

**The updated rate for 2025, before
reduction = \$184.52**

**$\$184.52 - \$39.14 = \underline{\$145.41}$ to the
injured worker**



COLA Application to LP

	COLA	Rate Before A	Reduction B	Benefit C
2024	0%	\$177.81	\$39.14	\$138.67
2025	3.77588%	\$184.52	\$39.14	\$145.38
2026	TBD	+ COLA	\$39.14	A minus B
2027	TBD	+ COLA	\$39.14	A minus B



#2) Uniformly Increasing Reduction

‣ Year	Reduction (3% annual increase)
‣ 2024	\$26.67
‣ 2025	\$27.47
‣ 2026	\$28.30
‣ 2027	\$29.14
‣ 2028	\$30.02
‣ 2029	\$30.92
‣ 2030	\$31.85
‣ 2031	\$32.80



#2) Uniformly Increasing Reduction

	• Rate Before	Reduction	Benefit
	A	B	C
‣ 2024	\$177.81	\$26.67	\$151.14
‣ 2025	\$184.52	\$27.47	\$157.05
‣ 2026	+ COLA	\$28.30	A minus B
‣ 2027	+ COLA	\$29.14	A minus B
‣ 2028	+ COLA	\$30.02	A minus B
‣ 2029	+ COLA	\$30.92	A minus B
‣ 2030	+ COLA	\$31.85	A minus B
‣ 2031	+ COLA	\$32.80	A minus B



PTD Awards

- ▶ Usually Retroactive Accrued PTD benefits
- ▶ DEU Calculations – as of 11/17/21
 - 12/3/2021 Award
- ▶ EG: PTD to begin 2016 at \$428.89/week

2016	\$428.89	2.278908%		2016	\$169.26	\$1,128.43
2017	\$445.67	3.911946%		2017	\$175.88	\$1,172.57
2018	\$461.90	3.64187%		2018	\$182.29	\$1,215.27
2019	\$475.62	2.97119%		2019	\$187.71	\$1,251.38
2020	\$493.88	3.84013%		2020	\$194.91	\$1,299.43
2021	\$515.50	4.37735%		2021	\$203.44	\$1,356.31
2022	\$585.20	13.52133%		2022	\$230.95	\$1,539.71



Calculator - multi-purpose

1) Indemnity total for date range

	Start Date	End Date	#Weeks (inclusive)	Rate of Indemnity	Amount of Indemnity
1	10/26/2016	12/31/2016	9.5714	\$428.89	\$4,105.09
2	1/1/2017	12/31/2017	52.1429	\$445.67	\$23,238.51
3	1/1/2018	12/31/2018	52.1429	\$461.90	\$24,084.79
4	1/1/2019	12/31/2019	52.1429	\$475.62	\$24,800.19
5	1/1/2020	12/31/2020	52.2857	\$493.88	\$25,822.87
6	1/1/2021	11/17/2021	45.8571	\$515.50	\$23,639.36
7			0.0000		\$0.00
		Sum =	264.1429	Sum=	\$125,690.81



COLA

Calculating Future Benefits Reserves/Attorney Fees

- ▶ DOI; AWE; Min/Max Rates; PD Start Date
- ▶ PPD award – calculate end date of PPD
 - **fixed number of weeks of benefits** based on DOI; weekly benefit rate is based on AWE, DOI, level of PD
- ▶ PTD Award – Awarded benefit rate based on TTD rate on DOI [LC 4659 (b)]



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Calculator - multi-purpose

1) Indemnity total for date range

	Start Date	End Date	#Weeks (inclusive)	Rate of Indemnity	Amount of Indemnity
1	10/26/2016	12/31/2016	9.5714	\$428.89	\$4,105.09
2	1/1/2017	12/31/2017	52.1429	\$445.67	\$23,238.51
3	1/1/2018	12/31/2018	52.1429	\$461.90	\$24,084.79
4	1/1/2019	12/31/2019	52.1429	\$475.62	\$24,800.19
5	1/1/2020	12/31/2020	52.2857	\$493.88	\$25,822.87
6	1/1/2021	11/17/2021	45.8571	\$515.50	\$23,639.36
7			0.0000		\$0.00
		Sum =	264.1429	Sum=	\$125,690.81



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Calculate Future Benefits

- ▶ Life expectancy tables male/ female 2021

<https://www.dir.ca.gov/osip/pubandforms.htm>

- **Life tables for men and women: United States 2021**
used when estimating future liabilities in 2024 and will be utilized by OSIP in 2025 to determine if the figures provided on the 2024 Annual Report are accurate.

Every January 1, apply COLA projections for PTD for duration of life expectancy

If PTD was not anticipated, there likely will be retroactive COLA calculations



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Commutations

- ▶ Fixed Benefits – PPD of 1 – 99%

- ▶ Life Time Benefits – PD 70% or greater

- Life Pension – follows # weeks of PPD
- PTD (100%) begins at MMI



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Commutations Credit for Payment in Advance

- ▶ The following link is to the DIR page with Commutation templates and instructions:
- ▶ <http://www.dir.ca.gov/dwc/deu.html>
- ▶ [Disability Evaluation Unit forms](#)
- ▶ [Commutation templates and instructions](#) .zip file
- ▶ The next link is to the DIR and 3 PV tables that are needed for the commutations. (PV is calculated using 3% annual interest)
- ▶ <https://www.dir.ca.gov/t8/10169.html>



Commutations – DEU

- <https://www.dir.ca.gov/dwc/deu.html>
- Templates and instructions to facilitate the calculation of life pension and permanent disability benefit commutations. When properly used, the templates assure that calculations are done in accordance with commutation calculation methods and tables that went into effect Jan. 17, 2001. The regulations and tables can be found in [section 10169 and 10169.1 of Title 8, California Code of Regulations](#).



Commutations - DEU

- ▶ Section 10169 and 10169.1 of Title 8, California Code of Regulations

- <https://www.dir.ca.gov/t8/10169.html>

- ▶ [Commutation Instructions](#)

- ▶ [Table 1](#)
- ▶ [Table 2](#)
- ▶ [Table 3](#)

Table 1 ("Present Value of Permanent Disability at 3% Interest") as issued in January 2001,

Table 2 ("Present Value of Life Pension at 3% Interest for a Male") as issued in July 2001,

Table 3 ("Present Value of Life Pension at 3% Interest for a Female") as issued in July 2001, and "Commutation Instructions" as issued in January 2001, are hereby incorporated by reference in their entirety as though they were set forth below. The tables and instructions are available from any office of the Division of Workers' Compensation and may be accessed and printed from the Division's homepage at www.dir.ca.gov.



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Commutations

Methods of Commutation

- A – Commutation of all remaining PD
- B – Commutation of PD "Off the Far End"
- C – Commutation of PD by Uniform Reduction

- D – Commutation of all remaining Life Pension after commencement of LP
- E – Commutation of all remaining Life Pension before commencement of LP
- F – Commutation of portion of remaining Life by uniform reduction of LP
- G – Uniform reduction of deferred Life Pension



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TABLE 1 - PRESENT VALUE OF PERMANENT DISABILITY

Use this table to commute, i.e. determine the present value of permanent disability benefits. The Wks. column refers to the number of weeks of PD being commuted. The PV column contains the present value (PV) at \$1 per week of the corresponding number of weeks of PD. A fractional number of weeks of PD may be commuted using interpolation. See Examples A, B and C under Commutation Procedures for an illustration of various types of commutations.

Wks.	PV	Wks.	PV	Wks.	PV	Wks.	PV
1	0.9989	45	44.4058	89	86.7442	133	128.0402
2	1.9977	46	45.3801	90	87.6945	134	128.9671
3	2.9955	47	46.3533	91	88.6437	135	129.8930
4	3.9932	48	47.3264	92	89.5929	136	130.8188
5	4.9898	49	48.2985	93	90.5410	137	131.7436
6	5.9864	50	49.2706	94	91.4892	138	132.6684
7	6.9819	51	50.2416	95	92.4363	139	133.5922
8	7.9774	52	51.2125	96	93.3833	140	134.5159
9	8.9717	53	52.1824	97	94.3293	141	135.4386
10	9.9661	54	53.1523	98	95.2753	142	136.3613
11	10.9593	55	54.1210	99	96.2202	143	137.2830
12	11.9525	56	55.0896	100	97.1651	144	138.2047
13	12.9446	57	56.0575	101	98.1090	145	139.1253
14	13.9367	58	57.0252	102	99.0529	146	140.0459
15	14.9277	59	57.9910	103	99.9956	147	140.9655
16	15.9187	60	58.9563	104	100.9384	148	141.8851
17	16.9085	61	59.9218	105	101.8801	149	142.8036
18	17.8984	62	60.8873	106	102.8219	150	143.7221
19	18.8871	63	61.8537	107	103.7625	151	144.6396
20	19.8759	64	62.8181	108	104.7032	152	145.5571
21	20.8635	65	63.7814	109	105.6438	153	146.4736
22	21.8511	66	64.7447	110	106.5843	154	147.3900
23	22.8376	67	65.7069	111	107.5250	155	148.3065
24	23.8241	68	66.6691	112	108.4654	156	149.2229
25	24.8095	69	67.6303	113	109.4058	157	150.1393
26	25.7948	70	68.5914	114	110.3463	158	151.0557
27	26.7791	71	69.5514	115	111.2870	159	151.9721
28	27.7634	72	70.5114	116	112.2275	160	152.8885
29	28.7465	73	71.4714	117	113.1680	161	153.8049
30	29.7297	74	72.4313	118	114.1088	162	154.7213
31	30.7127	75	73.3912	119	115.0491	163	155.6377
32	31.6957	76	74.3510	120	115.9893	164	156.5541
33	32.6787	77	75.3108	121	116.9296	165	157.4705
34	33.6616	78	76.2706	122	117.8698	166	158.3869
35	34.6445	79	77.2304	123	118.8101	167	159.3033
36	35.6274	80	78.1902	124	119.7503	168	160.2197
37	36.6103	81	79.1500	125	120.6906	169	161.1361
38	37.5932	82	80.1098	126	121.6308	170	162.0525
39	38.5761	83	81.0696	127	122.5711	171	162.9689
40	39.5590	84	82.0294	128	123.5113	172	163.8853
41	40.5419	85	82.9892	129	124.4516	173	164.8017
42	41.5248	86	83.9490	130	125.3918	174	165.7181
43	42.5077	87	84.9088	131	126.3321	175	166.6345
44	43.4906	88	85.8686	132	127.2723	176	167.5509

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TABLE 2 - PRESENT VALUE OF LIFE PENSION FOR A MALE

Use this table to commute, i.e. determine the present value (PV) of life pension benefits for a male. The "Age on DOC" column refers to the age of the injured employee as of the date of the commutation. The columns labeled "0, 1, 2, 3, . . ." refer to the period of years between the DOC and the commencement of life pension, commonly referred to as the "deferral period". The number at the intersection of the row (representing age) and column (representing deferral period) contains the present value at \$1 per week for that combination of age and deferral period. Fractional ages and commencement delays can be accommodated using interpolation. See Examples D, E, and F under Commutation Procedures. This table is based on the U.S. Decennial Life Tables for 1989-91.

Age on DOC	Number of years between date of commutation (DOC) and commencement of life pension														
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
15	1401.79	1350.43	1300.63	1252.31	1205.48	1160.07	1116.06	1073.39	1032.04	991.95	953.10	915.45	878.96	843.60	809.31
16	1392.11	1340.83	1291.03	1242.71	1195.88	1150.47	1106.46	1063.80	1022.45	983.37	945.72	909.44	874.43	840.69	808.11
17	1382.60	1331.25	1281.46	1233.20	1186.41	1141.05	1097.09	1054.48	1013.18	973.16	934.37	896.77	860.34	825.04	790.83
18	1373.27	1321.83	1271.85	1223.59	1176.81	1131.47	1087.53	1044.94	1003.66	963.65	924.88	887.30	850.89	815.62	781.44
19	1364.11	1313.67	1263.69	1215.44	1168.66	1123.32	1079.38	1036.77	995.48	955.49	916.78	879.32	843.09	808.02	773.87
20	1355.02	1304.58	1254.60	1206.35	1159.57	1114.23	1069.29	1025.66	983.32	942.27	902.41	863.75	826.35	790.12	754.94
21	1346.00	1295.56	1245.58	1197.33	1150.55	1105.21	1060.27	1016.64	974.30	933.25	893.49	854.98	817.67	781.44	746.21
22	1337.05	1286.61	1236.63	1188.38	1141.60	1096.26	1051.32	1007.69	965.35	924.30	884.54	845.98	808.57	772.34	737.11
23	1328.16	1277.72	1227.74	1179.49	1132.71	1087.37	1042.43	1000.00	958.07	917.51	878.30	839.34	800.57	762.84	726.11
24	1319.33	1268.89	1218.91	1170.66	1123.88	1078.54	1033.60	991.17	949.24	908.68	869.41	830.34	791.41	752.54	713.71
25	1310.56	1260.12	1210.14	1161.89	1115.11	1070.77	1025.83	983.40	941.47	900.91	861.65	822.58	783.65	744.78	705.91
26	1301.85	1251.41	1201.43	1153.18	1106.40	1062.06	1017.12	974.69	932.76	892.20	852.94	813.87	774.94	736.07	697.20
27	1293.20	1242.76	1192.78	1144.53	1097.75	1053.41	1008.47	965.04	923.11	882.55	843.29	804.22	765.29	726.42	687.55
28	1284.61	1234.17	1184.19	1135.94	1089.16	1044.82	1000.88	957.45	915.52	875.96	836.69	797.62	758.69	719.82	680.95
29	1276.08	1225.64	1175.66	1127.41	1080.63	1036.29	992.35	948.92	907.00	866.43	826.16	786.09	746.12	706.25	666.38
30	1267.61	1217.17	1167.19	1118.94	1072.16	1027.82	983.88	940.45	898.53	857.96	817.70	777.63	737.66	697.79	657.92
31	1259.20	1208.76	1158.78	1110.53	1063.75	1019.41	975.47	932.04	889.12	847.65	806.48	766.51	726.54	686.67	646.80
32	1250.85	1200.41	1150.43	1102.02	1055.20	1010.86	966.92	923.49	880.56	839.09	797.92	757.95	717.98	678.01	638.04
33	1242.56	1192.12	1142.14	1093.63	1046.81	1002.47	958.53	915.10	872.17	830.70	789.53	748.56	707.59	667.62	627.65
34	1234.33	1183.89	1133.91	1085.40	1038.58	994.24	950.30	906.87	863.94	821.51	779.44	737.47	695.50	653.53	611.56
35	1226.16	1175.72	1125.74	1077.23	1030.41	986.07	942.13	898.70	855.77	813.34	771.27	729.30	687.33	645.36	603.39
36	1218.05	1167.61	1117.63	1069.12	1022.30	977.96	934.02	890.59	847.66	805.23	763.16	721.19	679.22	637.25	595.28
37	1210.00	1159.56	1109.58	1061.07	1014.15	970.81	926.87	883.44	840.51	798.08	756.01	714.04	672.07	630.10	588.13
38	1202.01	1151.57	1101.59	1053.08	1006.16	962.82	918.88	875.45	832.52	790.09	748.02	706.05	664.08	622.11	580.14
39	1194.08	1143.64	1093.66	1045.15	998.23	954.89	910.95	867.52	824.59	782.16	740.09	698.12	656.15	614.18	572.21
40	1186.21	1135.77	1085.79	1037.28	990.36	946.02	902.08	858.65	815.72	773.29	731.22	689.25	647.28	605.31	563.34
41	1178.40	1127.96	1077.98	1029.47	982.55	938.21	894.27	850.84	807.91	765.48	723.41	681.44	639.47	597.50	555.53
42	1170.65	1120.21	1070.23	1022.32	974.40	930.06	886.12	842.69	799.76	757.33	715.26	673.29	631.32	589.35	547.38
43	1163.06	1112.52	1062.54	1015.43	966.49	922.15	878.21	834.78	791.85	749.42	707.35	665.38	623.41	581.44	539.47
44	1155.63	1104.99	1054.91	1007.80	957.56	913.22	869.28	825.85	782.92	740.49	698.42	656.45	614.48	572.51	530.54
45	1148.36	1097.52	1047.44	1000.33	950.09	905.75	861.81	818.38	775.45	733.02	690.95	648.98	606.91	564.94	522.97
46	1141.25	1090.11	1040.03	992.56	942.22	897.88	853.94	810.51	767.58	725.15	683.08	641.01	598.94	556.87	514.80
47	1134.29	1082.76	1032.68	985.11	934.77	890.43	846.49	803.06	760.13	717.70	675.63	633.56	591.49	549.42	507.35
48	1127.48	1075.47	1025.39	977.66	927.32	882.98	839.04	795.61	752.68	710.25	668.18	626.11	584.04	541.97	500.00
49	1120.82	1068.23	1018.15	970.21	919.87	875.53	831.59	788.16	745.23	702.80	660.73	618.66	576.59	534.52	492.45
50	1114.31	1061.04	1010.96	962.76	912.42	868.08	824.14	780.71	737.78	695.35	653.28	611.21	569.14	527.07	485.00

(Present Value of Life Pension for a Male - cont)

Table 8, Cal. Code of Reg., Sect. 10169 - Tables 2 & 3

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IW:	
WCAB#	
Date:	

A) COMMUTATION OF ALL REMAINING PD


DOI:	PD Rating:
PD starts:	# of weeks:
DOC:	PD weekly rate:

1 Determine weeks of PD remaining after date of commutation (DOC).

1a # of days from PD starts through DOC incl.....	1
1b Divide by 7 days per week.....	7
1c Weeks elapsed through DOC.....	0.1429
1d Total weeks of PD.....	0.0000
1e Subtract weeks elapsed through DOC (1c from above).....	-0.1429
1f Weeks of PD remaining after DOC.....	-0.1429

2 Determine PV of weeks of PD remaining after DOC.

	Weeks	PV
2a Enter corresponding PV for #weeks just above 1f.....	1	


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Commutations

- ▶ At times, attorney fees might be paid from accrued/ unpaid PPD – without commutation

- ▶ The two most common commutations requested/ approved are:
 - Off the Far End
 - Uniform Reduction
 - *Be cautious of Uniform Increasing Reduction]*


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Commutations

- ▶ There will be separate attorney fee calculations/commutations for a Life Pension case – one for PD, one for LP.
 - If commutation of PD is “off the far end”, benefits end sooner; if Life Pension applies, it results in a gap in benefits between the end of PD and beginning of Life Pension benefits
 - Panel Decision – *Kevin Suh v SCIF*
 - Disregard LC 4659 a



Summary – SAWW/COLA Effects

- ▶ Effect on Benefits
- ▶ Direct Effect
 - LC 4453 (a) (10)
 - New TTD Maximum and Minimum Rates
 - DOI 1/1/2022
 - LC 4650 (c)
 - Life Pension (DOI on or after 1/1/2003)
 - PTD (DOI on or after 1/1/2003)
- ▶ Indirect Effect
 - 2 Year Rule – LC 4661.5
 - Ongoing or Accrued TTD
 - Ongoing or Accrued Death Benefits – LC 4702 (b)



Summary – SAWW/COLA Effects on Benefits from Commutations

- ▶ Commutations of Attorney Fees
- ▶ Payment of Benefits in Advance
 - Reduces future benefits; Interest credit,
- ▶ COLA applies to 70% or more, 1/1/2003 or later
- ▶ Reduction method
 - COLA applied to Rate Before Reduction



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Timothy Mussack
(916) 569-0790
tmussack@bradfordbarthel.com
ratings@bradfordbarthel.com



bradfordbarthel.com

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