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 State of Connecticut Workers' Compensation Commission John A. Mastropietro, Chairman						
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WCC AWW, Max Comp Rate, and COLA Memorandum - September 28, 2012

MEMORANDUM NO. 2012-05

TO: Commissioners, District Administrators, Self-Insureds, Insurance Carriers, Attorneys, Unions, Legal Advisory Panel and Advisory Board Members

FROM: John A. Mastropietro, Chairman

DATE: September 28, 2012

RE: **Average Weekly Wage, Maximum Compensation Rate, and Cost-of-Living Adjustments**

Section 31-309 of the Connecticut General Statutes as amended by Public Act 93-228 sets the maximum weekly compensation rate to be the same as the average weekly earnings of all employees in Connecticut. This maximum rate applies to total disability benefits provided in § 31-307 and decedents' dependents benefits provided in § 31-306.

The State Labor Commissioner has determined that the estimated average weekly earnings of all employees in Connecticut effective October 1, 2012 will be \$1,172.00. Therefore, the maximum compensation rate for total disability and decedents' dependents will also be \$1,172.00 for injuries occurring on or after October 1, 2012.

The maximum compensation rate for partial disability (incapacity), i.e., benefits pursuant to § 31-308, is equivalent to the average weekly earnings of production and related workers in manufacturing in Connecticut. The State Labor Commissioner has determined that the average weekly earnings of production and related workers in manufacturing in Connecticut effective October 1, 2012 will be \$1,001.00.

I believe this information will assist you in the calculation of cost-of-living adjustments.

Calculating COLAs on Total Disability Benefits for injuries prior to July 1, 1993

(**Example:** Date of Injury - 1/5/1987, Base Rate - \$300)

1. Find the date of the accident using the appropriate table, based on the date of injury.
2. Add the dollar COLA adjustments subsequent to the injury date, if applicable, to the original base rate. This sum represents the adjusted base compensation rate. (For injuries occurring on or after 10/1/90, there will be no dollar COLA adjustments.)

(e.g. base \$300 + 10/1/87 \$21 + 10/1/88 \$18 + 10/1/89 \$15 + 10/1/90 \$17 = \$371)

3. Divide the maximum rate for the year in question by the 10/1/90 maximum rate to obtain a % for each year between 1991 and 2012. For injuries on or after 10/1/91 and before 7/1/93, divide the current maximum compensation rate by the maximum rate applicable on the date of injury.

(e.g. \$1,001 ÷ \$479 = 2.0898 or a 109.0% increase)

4. Multiply that percentage times the adjusted base compensation rate to get the COLA for each year between 1991 and 2012.

(e.g. adjusted base compensation rate of \$371 x 1.0898 for the 10/1/12 COLA = \$404.32)

5. Add this COLA to the adjusted base compensation rate to get the current weekly benefit rate.

(e.g. adjusted base \$371 + 10/1/12 COLA \$404.32 = \$775.32)

** To calculate COLAs for injuries occurring *before 10/1/69*, you must add in the appropriate adjustment below as provided by § 31-307a(b):

----For injuries between *10/1/68* and *9/30/69* add \$4.

----For injuries between *10/1/67* and *9/30/68* add \$6.

----For injuries prior to *10/1/67* add \$15.

Calculating COLAs on Survivor's Benefits for injuries prior to July 1, 1993

** For death benefits resulting from injuries *on or after October 1, 1977* refer to and follow the above explanation for *Total Disability Benefits*.

For death benefits resulting from injuries which occurred *before October 1, 1977*, § 31-306(a)(2)(B) requires the following method be used:

(Example: Date of Injury - 11/21/1975, Base Rate - \$100)

1. Multiply the base rate by 25% to obtain the partial COLA.

(e.g. base rate \$100 x .25 = \$25)

2. Add together all the COLAs that "accrued" between 10/1/80 and 10/1/90 using the table on page 3, "Injuries Through 12/31/78." Add these accrued COLAs to the original base rate and to the partial COLA to obtain the adjusted base rate.

(e.g. Total of 10/1/80-10/1/90 is always **\$146** + partial COLA **\$25** + base rate **\$100** = **\$271**)

3. Divide the maximum rate for the year in question by the 10/1/90 maximum rate to obtain a % for each year between 1991 and 2012.

(e.g. To calculate the 10/1/12 COLA, divide the **current** maximum for injuries through 12/31/78 (\$667) by the 10/1/90 maximum for injuries through 12/31/78 (\$320). This equals 2.084 or a 108.4% increase.)

4. Multiply that percentage times the adjusted base compensation rate to get the COLA for each year between 1991 and 2012.

(e.g. adjusted base \$271 x 1.084 for the 10/1/12 COLA = \$293.76)

5. Add this COLA to the adjusted base compensation rate to get the current weekly benefit rate.

(e.g. adjusted base **\$271** + 10/1/12 COLA **\$293.76** = **\$564.76**)

Calculating COLAs on Total Disability* and Survivor's Benefits for injuries occurring on or after July 1, 1993

(**Example:** Date of Injury - 2/27/2001, Base Rate - \$650)

1. Locate the date of the accident in the table on page 5, "Injuries On or After 7/1/93."

2. Divide the current maximum by the maximum weekly wage that was in effect on the date of injury to obtain a COLA percentage.

(e.g. \$1,172 ÷ \$838 = 1.3986 or a 39.9% increase)

3. Multiply that percentage times the base compensation rate to get the COLA for each year between the date of injury and 2012.

(e.g. \$650 x .3986 for the 10/1/12 COLA = \$259.09)

4. Add this COLA to the base compensation rate to get the current weekly benefit rate.

(e.g. base **\$650** + 10/1/12 COLA **\$259.09** = **\$909.09**)

* only applies to claimants who are permanently totally disabled or who have been totally disabled for a period of five years or more.

Injuries Through 12/31/78

<u>Effective Date</u>	<u>Maximum Rate</u>	<u>COLA</u>
10/1/1969**	\$80.00	----
10/1/70	\$84.00	\$4
10/1/71	\$95.00	\$11
10/1/72	\$102.00	\$7

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10/1/73	\$112.00	\$10	
10/1/74	\$119.00	\$7	
10/1/75	\$126.00	\$7	
10/1/76	\$135.00	\$9	
10/1/77	\$147.00	\$12	
10/1/78	\$160.00	\$13	
10/1/79	\$174.00	\$14	
10/1/80	\$190.00	\$16	
10/1/81	\$207.00	\$17	
10/1/82	\$217.00	\$10	
10/1/83	\$230.00	\$13	
10/1/84	\$254.00	\$24	
10/1/85	\$265.00	\$11	
10/1/86	\$272.00	\$7	
10/1/87	\$286.00	\$14	
10/1/88	\$298.00	\$12	<u>Approximate %</u>
10/1/89	\$308.00	\$10	<u>Increase</u>
10/1/90	\$320.00	\$12	<u>since 1990</u>
10/1/91	\$328.00		2.5%
10/1/92	\$342.00		7.0%
10/1/93	\$353.00		10.3%
10/1/94	\$379.00		18.3%
10/1/95	\$390.00		21.8%
10/1/96	\$393.00		22.9%
10/1/97	\$404.00		26.2%
10/1/98	\$419.00		31.0%
10/1/99	\$425.00		32.9%
10/1/2000	\$442.00		38.2%
10/1/01	\$452.00		41.4%
10/1/02	\$458.00		43.3%
10/1/03	\$484.00		51.3%
10/1/04	\$501.00		56.7%
10/1/05	\$524.00		63.8%
10/1/06	\$544.00		70.0%
10/1/07	\$569.00		77.8%
10/1/08	\$595.00		85.9%
10/1/09	\$615.00		92.2%
10/1/10	\$640.00		100.0%
10/1/11	\$664.00		107.5%
10/1/12	\$667.00		108.4%

Injuries From 1/1/79 Through 9/30/79

<u>Effective Date</u>	<u>Maximum Rate</u>	<u>COLA</u>
1/1/1979	\$204.00	----
10/1/79	\$222.00	\$18
10/1/80	\$242.00	\$20
10/1/81	\$263.00	\$21
10/1/82	\$277.00	\$14
10/1/83	\$293.00	\$16

10/1/84	\$324.00	\$31	
10/1/85	\$338.00	\$14	
10/1/86	\$347.00	\$9	
10/1/87	\$365.00	\$18	
10/1/88	\$380.00	\$15	<u>Approximate %</u>
10/1/89	\$393.00	\$13	<u>Increase</u>
10/1/90	\$408.00	\$15	<u>since 1990</u>
10/1/91	\$418.00		2.5%
10/1/92	\$436.00		7.0%
10/1/93	\$450.00		10.3%
10/1/94	\$482.00		18.3%
10/1/95	\$496.00		21.8%
10/1/96	\$501.00		22.9%
10/1/97	\$514.00		26.2%
10/1/98	\$534.00		31.0%
10/1/99	\$542.00		32.9%
10/1/2000	\$564.00		38.2%
10/1/01	\$576.00		41.4%
10/1/02	\$584.00		43.3%
10/1/03	\$617.00		51.3%
10/1/04	\$639.00		56.7%
10/1/05	\$668.00		63.8%
10/1/06	\$693.00		70.0%
10/1/07	\$725.00		77.7%
10/1/08	\$758.00		85.8%
10/1/09	\$783.00		91.9%
10/1/10	\$815.00		99.8%
10/1/11	\$847.00		107.6%
10/1/12	\$851.00		108.6%

Injuries From 10/1/79 Through 9/30/87

<u>Effective Date</u>	<u>Maximum Rate</u>	<u>COLA</u>	
10/1/1979	\$261.00	----	
10/1/80	\$285.00	\$24	
10/1/81	\$310.00	\$25	
10/1/82	\$326.00	\$16	
10/1/83	\$345.00	\$19	
10/1/84	\$381.00	\$36	
10/1/85	\$397.00	\$16	
10/1/86	\$408.00	\$11	
10/1/87	\$429.00	\$21	
10/1/88	\$447.00	\$18	<u>Approximate %</u>
10/1/89	\$462.00	\$15	<u>Increase</u>
10/1/90	\$479.00	\$17	<u>since 1990</u>
10/1/91	\$491.00		2.5%
10/1/92	\$513.00		7.0%
10/1/93	\$529.00		10.3%
10/1/94	\$567.00		18.3%
10/1/95	\$584.00		21.8%

10/1/96	\$589.00	22.9%
10/1/97	\$605.00	26.2%
10/1/98	\$628.00	31.0%
10/1/99	\$637.00	32.9%
10/1/2000	\$663.00	38.2%
10/1/01	\$678.00	41.4%
10/1/02	\$687.00	43.3%
10/1/03	\$726.00	51.3%
10/1/04	\$751.00	56.7%
10/1/05	\$786.00	63.8%
10/1/06	\$816.00	70.0%
10/1/07	\$853.00	78.1%
10/1/08	\$892.00	86.2%
10/1/09	\$922.00	92.5%
10/1/10	\$959.00	100.2%
10/1/11	\$996.00	107.9%
10/1/12	\$1001.00	109.0%

Injuries From 10/1/87 Through 6/30/93

<u>Effective Date</u>	<u>Maximum Rate</u>	<u>COLA</u>	
10/1/1987	\$643.00	----	
10/1/88	\$671.00	\$28	<u>Approximate %</u>
10/1/89	\$693.00	\$22	<u>Increase</u>
10/1/90	\$719.00	\$26	<u>since 1990</u>
10/1/91	\$737.00		2.5%
10/1/92	\$769.00		7.0%
10/1/93	\$793.00		10.3%
10/1/94	\$850.00		18.3%
10/1/95	\$876.00		21.8%
10/1/96	\$883.00		22.9%
10/1/97	\$908.00		26.2%
10/1/98	\$942.00		31.0%
10/1/99	\$956.00		32.9%
10/1/2000	\$994.00		38.2%
10/1/01	\$1016.00		41.4%
10/1/02	\$1031.00		43.3%
10/1/03	\$1088.00		51.3%
10/1/04	\$1127.00		56.7%
10/1/05	\$1178.00		63.8%
10/1/06	\$1223.00		70.0%
10/1/07	\$1279.00		77.9%
10/1/08	\$1338.00		86.1%
10/1/09	\$1382.00		92.2%
10/1/10	\$1438.00		100.0%
10/1/11	\$1494.00		107.8%
10/1/12	\$1501.00		108.8%

Injuries On or After 7/1/93 (COLAs as of 10/1/97, including retroactive payment)

<u>Effective Date</u>	<u>Maximum Rate</u>	<u>Approximate % Increase since 7/1/93</u>
7/1/1993	\$628.00	----
10/1/93	\$638.00	1.59%
10/1/94	\$660.00	5.10%
10/1/95	\$656.00	----
10/1/96	\$678.00	7.96%
10/1/97	\$715.00	13.85%
10/1/98	\$764.00	21.66%
10/1/99	\$792.00	26.11%
10/1/2000	\$838.00	33.44%
10/1/01	\$887.00	41.24%
10/1/02	\$909.00	44.75%
10/1/03	\$911.00	45.06%
10/1/04	\$931.00	48.25%
10/1/05	\$1005.00	60.03%
10/1/06	\$1038.00	65.29%
10/1/07	\$1077.00	71.50%
10/1/08	\$1141.00	81.69%
10/1/09	\$1138.00	81.21%
10/1/10	\$1134.00	80.57%
10/1/11	\$1168.00	85.99%
10/1/12	\$1172.00	86.62%

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