

How does the 2006 PD Chart work?

The PD Chart includes many pages of useful workers compensation charts, however, the first three pages deal directly with permanent disability. The calculation of the weeks and PD on the first two pages will be the subject of this document.

Pages one, two and three list, in chart form, the maximum number of weeks an injured person is to be paid at each given disability percentage. It also lists the total value of PD for each disability percentage calculated as the weeks multiplied by the maximum PD rate. The Labor Code section for this calculation is LC 4658

The weeks and rates have changed over the years so we have put years 1996 through 2004 on page one of the chart, and years 2005 through 2006 on pages two and three. Be sure to use the correct chart according to your date of injury.

We said above that the total value of PD is calculated as the weeks multiplied by the *maximum* PD rate. Page four of the chart includes a table with the heading "Permanent Partial Disability Weekly Rate". This shows the PD rate for the various dates of injury, and the various PD percentages. LC 4659 The PD *rate* is two-thirds of the *earnings*. For example, if a worker earned \$1000 per week and was injured in 2002 the maximum earnings for that year is \$240.00 per week. The maximum weekly rate is 2/3 of the maximum earnings, which in this case it would be \$160.00 per week. The worker's total amount that he or she would receive is: number of weeks (based upon the percentage of disability) multiplied by \$160. The table on page four shows both the earnings and the rate, as well as minimum and maximum of both at the various disability percentage ranges. The last column of this table is in a bold font, as this is the maximum PD rate that is used (multiplied by the weeks) to calculate the PD values for pages one through three. The PD chart on pages one through three use the maximum rate because most workers earn above the maximum.

%: This is the percentage of disability for the injured person. This column runs all of the rest of the columns. When you want to get a PD rating you are looking for the number of weeks and/or total value of a particular percentage of disability. You do this by looking down the first column of the chart and finding the correct percentage, then move across the chart to the corresponding injury date range columns to get the weeks and value. .

Weeks 96-03: This is the number of weeks that PD is to be paid at each different PD % for dates of injuries between 1996 and 2003. LC 4658(b)

Notice that there is a different weeks column for years 2004 (column 5) and for 2005-2006 on the other pages of the chart. That's because the number of weeks for each PD % changed in 2004 and again in 2005. Column 2 covers only dates of injury between 1996 and 2003.

PD 7/1/96 to 12/31/02: This is the total value of PD (weeks multiplied by the weekly rate) at each % for years 1996 through 2002. The weekly rate is calculated as two-thirds the maximum actual earning. The Chart has a section on PD weekly rates for all years on page 4. The maximum earnings for 7/1/96 through 12/31/02 ranges from \$210 to \$345 so the maximum rate of PD (two-thirds of earnings) ranges from \$140 to \$230. For example, the maximum PD rate for a 15% disability for a DOI in 2002 is \$8,040.00 (50.25 weeks multiplied by \$160).

PD 2003: This is the total value of PD (weeks multiplied by the weekly rate) at each % for the year 2003. The weekly rate is calculated as two thirds the maximum actual earning (again see PPD Weekly Rate chart on page 4). The maximum earnings for the year 2003 ranges from \$277.50 to \$345 so the maximum rate of PD (two-thirds of earnings) ranges from \$185 to \$230. LC 4659(a) For example, the maximum PD rate for a 15% disability for a DOI in 2003 is \$9,296.25 (50.25 weeks multiplied by \$185).

Weeks 2004: The number of weeks that PD is to be paid at each different PD % changed in 2004. LC 4658(c) This column lists the correct weeks for the year 2004 only and is used only with the "PD 2004" column.

PD 2004: This is the total value of PD (weeks multiplied by the weekly rate) at each % for the year 2004. The weekly rate is calculated as two thirds the maximum actual earning (again see the PPD Weekly Rate chart on page 4). The maximum earnings for the year 2004 is \$300 for injuries under 70% disabled and \$375 for 70% and over. The maximum rate of PD (two-thirds of earnings) is either \$200 for injuries under 70% disabled or \$250 for 70% and over. LC 4659(a) For example, the maximum PD rate for a 15% disability for a DOI in 2004 is \$13,050.00 (65.25 weeks multiplied by \$200).

Weeks 2005/2006: The number of weeks that PD is to be paid at each different PD % changed in 2005. LC 4658(d) This column lists the correct weeks for the year 2005 and up. Use this column in conjunction with pages two and three of the PD Chart.

PD 2005: The code changed for 2005 and can either increase or decrease the PD value depending on the number of employees and whether or not a job offer was made to the injured worker once P&S. If the employer has less than 50 employees then the code does not penalize them for failing to make a job offer to the employee. Therefore, the value is a straight calculation of the rate times the weeks without increasing or decreasing. For example, on page 3 of the chart

drop down to 65% disabled. Follow that row across to the 2005 section. A 65% disability gives us 391.25 weeks. If we multiply 391.25 by a maximum rate of 220 we get \$86,075.

PD + 15%: We get a lot of people calling us and telling us the +15% column on our 2005 PD money chart appears wrong. We just added the link to this document at the top of the chart to help people understand what's happening here. We've been over this calculation with many attorneys and insurance company experts and in the end they all have agreed with our interpretation and math. The chart is correct.

The bottom line on the +15% is the employer has 60 days in which to offer "work" to the applicant. During these 60 days there is no 15% penalty - even if the employer subsequently fails to make the offer. The code section reads:

If, within 60 days of a disability becoming permanent and stationary, an employer does not offer the injured employee ... work ... each disability payment remaining to be paid to the injured employee from the date of the end of the 60-day period shall be paid in accordance with paragraph (1) and increased by 15 percent.

The key here is that the first 60 days are always paid without penalty. Thus, our chart shows the same rate for +15% PD as the previous 'normal' PD column for the first two rows of the chart (6 weeks). When you get to the third row of the chart (3% PD and 9 weeks) you begin to see the penalty appear. But remember, the code said that only the days remaining *after* the first 60 days shall be increased by the penalty, so the first 60 days are always calculated at the non-penalty rate. The formula to calculate the penalty PD column amount for row three (3% - 9 weeks) is:

$$\$1,994.14 = (60 \times (220/7)) + (3 \times (220/7) \times 1.15)$$

Or put another way:

$$\text{Money} = (\text{First_60_Days} \times (\text{weekly_rate} / \text{days_per_week})) + (\text{remaining_days} \times (\text{weekly_rate} / \text{days_per_week}) \times 1.\text{penalty})$$

The key to the penalty section of the code and the complication it caused for this chart is that each PD percent (row on the chart) has to subtract off the first 60 days of the weeks off, calculate that at the regular rate, then multiply the remaining days by the daily rate increased by 15%. This calculation would be extremely difficult without a good chart.

Let's try one more example, 71% disability. Our chart shows standard PD for 449.25 weeks as \$121,297.50 and the +15% amount to be \$139,114.98. Let's plug in the numbers and verify the chart. Remember, the weekly rate is \$270 per week at 71%.

$$\begin{aligned}
 \$139,114.98 &= (60 * (270/7)) + (((449.25 * 7) - 60) * (270/7) * 1.15) \\
 & \quad (\text{First } 60 \text{)} + ((\text{total days}) - \text{First_60} * \text{Daily_Rate} * 1.15)
 \end{aligned}$$

PD -15%: The code changed for 2005 and can either increase or decrease the PD value depending on the number of employees and whether or not a job offer was made to the injured worker once P&S. Regardless of the number of employees, the value of PD is reduced by 15% if the employer makes an offer of employment to the injured worker within 60 days of P&S. LC 4658(d)(3)(A) The -15% column on the 2005-2006 chart assumes that the offer is made immediately upon the injured worker becoming P&S and thus decreases the total value of PD by 15% starting at the first payment. For example, drop down to 65% disabled on the 2005 PD Chart. A 65% disability gives us 391.25 weeks. If we multiply 391.25 by a maximum rate of 220 we get \$86,075. If we then decrease that by 15% we get \$73,163.75, which is the value listed for a 65% disability in the -15% column of the 2005 chart.