



October 4, 2016

CIRCULAR LETTER NO. 2296

To All Members and Subscribers of the WCRIBMA:

**Maximum and Minimum Weekly Compensation Rates;
COLA Payment and Reimbursement Schedules;
and Attorneys' Fee Schedule**

Effective October 1, 2016

Attached is a copy of the Department of Industrial Accidents Circular Letter No. 351, dated October 3, 2016, entitled: *COLA Payment and Reimbursement Schedules; Maximum and Minimum Weekly Compensation Rates; and Attorneys' Fee Schedule*.

Please refer to the DIA's Circular Letter for information regarding:

- The Statewide Average Weekly Wage in the Commonwealth as promulgated by the Commissioner of Unemployment Assistance (\$1,291.74 effective October 1, 2016);
- Maximum and Minimum Weekly Compensation Rates;
- Cost of Living Adjustments (COLA); and
- Attorneys' Fees.

DANIEL M. CROWLEY, CPCU
Vice President - Customer Services

Attachment



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF INDUSTRIAL ACCIDENTS

CHARLES D. BAKER
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SECRETARY

LINDA EDMONDS TURNER, Ph.D.
DIRECTOR

CIRCULAR LETTER NO. 351

TO: All Interested Persons

FROM: Linda Edmonds Turner, Director

RE: Cost of Living Adjustments (COLA) Payment and Reimbursement Schedules & Requests; Maximum and Minimum Weekly Compensation Rates; Attorneys' Fee Schedule.

DATE: October 3, 2016 (effective October 1, 2016)

This Circular Letter should be used to determine all of the following:

- (a) The maximum weekly benefits payable under M.G.L. c. 152;
- (b) The minimum compensation rates payable under §34 and §34A;
- (c) The proper amounts of adjustments to compensation required under §34B and §35F for injuries occurring before December 24, 1991;
- (d) The proper amounts of adjustments to compensation required under §34B and §35F for injuries occurring on or after December 24, 1991;
- (e) The reimbursement amount payable to insurers for COLAs paid on permanent and total or survivors' benefits for injuries occurring **on or before** October 1, 1986;
- (f) The reimbursement amount payable to insurers for COLAs paid on permanent and total or survivors' benefits for injuries occurring **subsequent to** October 1, 1986 but **before** December 24, 1991; and
- (g) Attorneys' fee schedule for claims involving injuries occurring on or after December 24, 1991.

The average weekly wage in the Commonwealth (SAWW) effective October 1, 2016 as determined under M.G.L. c. 151A, §29(2) and promulgated by the Director of Unemployment Assistance, is **\$1,291.74** [Please consult Table III]. An illustration of the application of this newly established SAWW on weekly benefit rates for claims involving injuries occurring on or after October 1, 2016 is as follows:

The weekly compensation rate for temporary and total disability benefits under §34 shall equal sixty percent of the employee's average weekly wage before the injury, but no more than a maximum weekly compensation rate equal to **\$1,291.74** (one hundred percent of the present SAWW), unless the average weekly wage of the employee is less than the minimum weekly compensation rate of **\$258.35** (twenty percent of the present SAWW), in which case said weekly compensation shall equal the employee's average weekly wage. The weekly compensation rate for permanent and total disability benefits under §34A shall equal two-thirds (66.67%) of the employee's average weekly wage before the injury, but not more than the maximum weekly compensation rate of **\$1,291.74** nor less than the minimum weekly compensation rate of **\$258.35**.

[Recipients of total disability benefits under §34 and §34A for claims involving injuries occurring before October 1, 2016 should consult Table I of this Circular Letter and previous Circular Letters setting forth the requirements of M.G.L. c. 152 and 452 CMR 3.06.]

To calculate the adjustment under §34B* multiply the claimant's unadjusted weekly compensation by the **ADJUSTED MULTIPLIER FOR TOTAL COMP** [the amount in the fifth column of Table I (see attached) for injuries occurring before December 24, 1991 or the amount in the eighth column for injuries occurring on or after December 24, 1991] in the attached table for the claimant's year of injury. **For the purpose of calculating adjustments or reimbursements, the year of injury begins on October 1st and ends on September 30th of each year.** To be eligible for a COLA under §31 or §34A the date of injury must have occurred at least **two** years prior to this review date (October 1, 2016).

COLAs for persons receiving partial benefits under §35 are payable **only** to those employees with an injury date on or after January 1, 1986 but before December 24, 1991 whose injury occurred at least **three** years prior to this review date. To calculate the adjustment under §35F* multiply the claimant's unadjusted weekly compensation by the **ADJUSTED MULTIPLIER FOR PARTIAL COMPENSATION** (the amount in the tenth column in the attached Table I) for the claimant's year of injury.

Insurers are entitled to quarterly reimbursements from the Workers' Compensation Trust Fund (WCTF) for certain supplemental benefits (cost-of-living adjustments). When supplemental benefits are paid to permanently and totally disabled recipients or survivors under §34A or §31 as outlined above, complete reimbursement is made where the injury occurred on or before October 1, 1986 using column five of Table I. If the injury occurred after that date, the amount reimbursable can be calculated by using the **REIMBURSEMENT FACTOR** (the amount in the eleventh column of Table I). For injuries occurring on or after December 24, 1991, there is no reimbursement from the WCTF for COLA adjustments made under §34B. Furthermore, there are no reimbursements from the Workers' Compensation Trust Fund for COLA adjustments under §35F for any claim involving the payment of temporary, partial disability benefits under §35.

To apply for reimbursements under §34B(c) for cost-of-living adjustments as calculated above, please complete the attached forms, and forward them to the address given below.

Requests for reimbursements should be submitted at the close of each quarter of the calendar year. Requests submitted during the first calendar quarter of 2017 should be for reimbursements of monies paid during the last calendar quarter of 2016. Please note that, pursuant to §34B(c), reimbursements will be denied to any insurer that has paid supplemental benefits prior to 24 months from the recipient's date of injury.

[*If the claimant is receiving Social Security disability benefits the adjusted compensation should be capped at the point where one more dollar in such compensation would have the effect of reducing any Social Security disability benefits the claimant is receiving. All requests for reimbursement must be accompanied by a completed CR-28 Form corresponding to the period for which reimbursement is sought. In addition, all prior years' CR-28 Form for each claimant who's COLA the insurer is seeking reimbursement must be submitted in FY 2017 to provide that any capital COLA offsets were taken and that no COLA was improperly paid.]

The schedule of adjusted attorney's fees is contained in **Table II**. Please note that the new rates apply only to cases involving injuries on or after December 24, 1991. For cases involving injuries before December 24, 1991, the fees remain as set out in §13A.

Note: If you wish to receive future Circular Letters electronically, please send an e-mail with the subject line "Please add to Circular Letter list" to the Department of Industrial Accidents at the following address: Info2@dia.state.ma.us. Be sure you to include your name along with your current e-mail address.

Sincerely,



Linda Edmonds Turner
Director

Calculation of COLA Multipliers and Reimbursement Factors

Table I - 10-1-2016

Year	Statewide Average Weekly Wage (SAWW)	Annual SAWW Change	Capped Change: Pre 12/23/91	Section 34B Multiplier Pre 12/24/91 Reimbursement Factor Pre 10/2/96	Annual CPI Change	Capped Change: Post 12/23/91	Section 34B Multiplier, Post 12/23/91	Section 35F Capped Change	Section 35F Multiplier	Section 34B Reimbursement Factor Post 10/1/96
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1938	\$25.63	1.0336	1.0336	44.6023	---	---				
1939	\$26.49	0.9970	0.9970	43.1544	---	---				
1940	\$26.41	1.1356	1.1000	43.2851	---	---				
1941	\$29.99	1.1834	1.1000	39.3500	---	---				
1942	\$35.49	1.1074	1.1000	35.7728	---	---				
1943	\$39.30	1.0422	1.0422	32.5207	---	---				
1944	\$40.96	1.0249	1.0249	31.2027	---	---				
1945	\$41.98	1.0543	1.0543	30.4445	---	---				
1946	\$44.26	1.0888	1.0888	28.8762	---	---				
1947	\$48.19	1.0770	1.0770	26.5214	---	---				
1948	\$51.90	1.0150	1.0150	24.6255	---	---				
1949	\$52.68	1.0581	1.0581	24.2609	---	---				
1950	\$55.74	1.0797	1.0797	22.9290	---	---				
1951	\$60.18	1.0419	1.0419	21.2373	---	---				
1952	\$62.70	1.0470	1.0470	20.3838	---	---				
1953	\$65.65	1.0296	1.0296	19.4678	---	---				
1954	\$67.59	1.0468	1.0468	18.9091	---	---				
1955	\$70.75	1.0540	1.0540	18.0645	---	---				
1956	\$74.57	1.0426	1.0426	17.1391	---	---				
1957	\$77.75	1.0368	1.0368	16.4381	---	---				
1958	\$80.61	1.0515	1.0515	15.8549	---	---				
1959	\$84.76	1.0316	1.0316	15.0786	---	---				
1960	\$87.44	1.0327	1.0327	14.6165	---	---				
1961	\$90.30	1.0384	1.0384	14.1536	---	---				
1962	\$93.77	1.0309	1.0309	13.6297	---	---				
1963	\$96.67	1.0484	1.0484	13.2209	---	---				
1964	\$101.35	1.0339	1.0339	12.6104	---	---				
1965	\$104.79	1.0448	1.0448	12.1965	---	---				
1966	\$109.48	1.0435	1.0435	11.6740	---	---				
1967	\$114.24	1.0599	1.0599	11.1876	---	---				
1968	\$121.08	1.0772	1.0772	10.5555	---	---				
1969	\$130.43	1.0045	1.0045	9.7989	---	---				
1970	\$131.02	1.0638	1.0638	9.7547	---	---				
1971	\$139.38	1.0736	1.0736	9.1697	---	---				
1972	\$149.64	1.0396	1.0396	8.5409	---	---				
1973	\$155.57	1.0529	1.0529	8.2154	---	---				
1974	\$163.80	1.0670	1.0670	7.8026	---	---				
1975	\$174.78	1.0691	1.0691	7.3124	---	---				
1976	\$186.85	1.0667	1.0667	6.8400	---	---				
1977	\$199.31	1.0605	1.0605	6.4125	---	---				
1978	\$211.37	1.0754	1.0754	6.0465	---	---				
1979	\$227.31	1.0799	1.0799	5.6226	---	---				
1980	\$245.48	1.0996	1.0996	5.2063	---	---				
1981	\$269.93	1.1034	1.1000	4.7348	---	---				
1982	\$297.85	1.0753	1.0753	4.3044	---	---				
1983	\$320.29	1.0648	1.0648	4.0028	---	---				
1984	\$341.06	1.0570	1.0570	3.7591	---	---				
1985	\$360.50	1.0640	1.0640	3.5563	---	---		1.0500	2.9779	0.5784
1986	\$383.57	1.0715	1.0715	3.3424	---	---		1.0500	2.8361	0.5063
1987	\$411.00	1.0808	1.0808	3.1194	---	---		1.0500	2.7011	0.4183
1988	\$444.20	1.0681	1.0681	2.8862	---	---		1.0500	2.5724	0.3137
1989	\$474.47	1.0339	1.0339	2.7021	---	---		1.0339	2.4499	0.2522
1990	\$490.57	1.0509	1.0509	2.6134	---	---		1.0500	2.3695	0.2439
1991	\$515.52	1.0539	1.0539	2.4869	1.0370	1.0370	1.6136	1.0500	2.2567	0.2301
1992	\$543.30	1.0417	1.0417		1.0240	1.0240	1.5560	1.0417		
1993	\$565.94	1.0348	1.0348		1.0280	1.0280	1.5195	1.0348		
1994	\$585.66	1.0314	1.0314		1.0240	1.0240	1.4781	1.0314		
1995	\$604.03	1.0447	1.0447		1.0270	1.0270	1.4434	1.0447		
1996	\$631.03	1.0547	1.0547		1.0230	1.0230	1.4056	1.0500		
1997	\$665.55	1.0516	1.0516		1.0160	1.0160	1.3739	1.0500		
1998	\$699.91	1.0711	1.0711		1.0210	1.0210	1.3523	1.0500		
1999	\$749.69	1.1083	1.1000		1.0206	1.0206	1.3245	1.0500		
2000	\$830.89	1.0723	1.0723		1.0340	1.0340	1.2977	1.0500		
2001	\$890.94	0.9906	0.9906		1.0280	0.9906	1.2550	0.9906		
2002	\$882.57	1.0021	1.0021		1.0210	1.0021	1.2670	1.0021		
2003	\$884.46	1.0388	1.0388		1.0282	1.0282	1.2642	1.0388		
2004	\$918.78	1.0433	1.0433		1.0346	1.0346	1.2296	1.0433		
2005	\$958.58	1.0437	1.0437		1.0365	1.0365	1.1885	1.0437		
2006	\$1,000.43	1.0431	1.0431		1.0361	1.0361	1.1467	1.0431		
2007	\$1,043.54	1.0477	1.0477		1.0256	1.0256	1.1067	1.0477		
2008	\$1,093.27	1.0013	1.0013		1.0399	1.0013	1.0790	1.0013		
2009	\$1,094.70	0.9939	0.9939		1.0002	0.9939	1.0776	0.9939		
2010	\$1,088.06	1.0439	1.0439		1.0197	1.0197	1.0842	1.0439		
2011	\$1,135.82	1.0328	1.0328		1.0305	1.0305	1.0632	1.0328		
2012	\$1,173.06	1.0070	1.0070		1.0195	1.0070	1.0318	1.0070		
2013	\$1,181.28	1.0285	1.0285		1.0136	1.0136	1.0246	1.0285		
2014	\$1,214.99	1.0341	1.0341		1.0138	1.0138	1.0108	1.0341		
2015	\$1,256.47	1.0281	1.0281		0.9971	0.9971	0.9971	1.0281		
2016	\$1,291.74	1.0000	1.0000		1.0000	1.0000	1.0000	1.0000		

Use Northeast Region CPI
 Use % diff between next and current yr SAWW
 Use % diff between current CPI and prev CPI

Notes:

- (2) Provided by the Massachusetts Division of Unemployment Assistance.
- (3) (2) Year X+1 / (2) Year X
(4) (3), subject to a maximum of 10%.
- (5) Cumulative product of (4)
- (6) Provided by Bureau of Labor Statistics.
- (7) Minimum of (4) and (6).
- (8) Cumulative product of (7).
- (9) (3) subject to a maximum of 5%.
- (10) Cumulative product of (9)
- (11) (5) - (10)

Table II

TABLE OF ATTORNEYS' FEES

(NOTE: These new rates apply only to cases involving injuries occurring on or after 12/24/91.)

Pursuant to M.G.L. c. 152 § 13A(10), the dollar amounts specified for attorney's fees in section 13A, subsections 1 through 6 are changed effective 10/1/2016 in accordance with §34B(a) as follows:

<u>SECTION 13A SUBSECTIONS</u>	<u>DOLLAR AMOUNT SPECIFIED</u>	<u>CHANGED TO</u>
(1)	\$700.00 \$350.00	\$1,129.48 \$ 564.74
(2)	\$1,000.00 \$500.00	\$1,613.55 \$ 806.78
(3)	\$500.00 \$250.00	\$ 806.78 \$ 403.39
(4)	\$700.00 \$350.00	\$1,129.48 \$ 564.74
(5)	\$3,500.00	\$5,647.43
(6)	\$1,000.00	\$1,613.55

Table III

**Department of Industrial Accidents
Calculation of Weekly Benefits**

- (1) 2016 Statewide Average Weekly Wage: \$1,291.74
- (2) Section 34 - Temporary and Total Disability Benefits
- (a) Rate 60.00%
 - (b) Maximum \$1,291.74
 - (c) Minimum \$ 258.35
- (3) Section 34A - Permanent and Total Disability Benefits
- (a) Rate 66.67%
 - (b) Maximum \$1,291.74
 - (c) Minimum \$ 258.35

Notes:

- (1) Provided by the Massachusetts Division of Unemployment Assistance
(2), (3) Derived from (1), and MGL c.152, Section 34, as follows:
(2a), (3a) Maximum reimbursement rate.
(2b), (3b) (1).
(2c), (3c) 20% x (1).