



**INFORMATIONAL MEMORANDUM**

**DFS- 07-07**

**ISSUED**

**Date April 10, 2007**

Department of Financial Services

**Alex Sink**

Chief Financial Officer

**All Carriers and Self-Insurers**

**Wage Loss Discount Factor Tables**

Attached and provided for your use are the Wage Loss Discount Factor Tables that have been prepared by the Division of Workers' Compensation. Section 440.15(3)(b)8., Florida Statutes (1993), sets forth criteria for discounting total wages, salary and other remunerations when determining the amount of wage loss benefits due for any week beginning with the 25th month after maximum medical improvement (MMI). The attached Wage Loss Discount Factor Tables are prepared in accordance with Section 440.15(3)(b)8., Florida Statutes (1993) and are to be used for the purposes of determining wage loss benefits.

Questions regarding this may be directed to Patricia Goodgame, Insurance Administrator, Office of Data Quality and Collection with the Division of Workers' Compensation. Ms. Goodgame may be contacted by email at [goodgamep@dfs.state.fl.us](mailto:goodgamep@dfs.state.fl.us) or, by phone, at (850) 413-1754.

# **WAGE LOSS COMPUTATION OF DISCOUNT FACTOR**

The C.P.I. for the *PREVIOUS* year shall be used to determine the discount factor for use in the *CURRENT* payment year when the C.P.I. is less than the 5 percent factor established July 1, 1980 pursuant to Section 440.15 (3) (b), F.S. (1993). The current discount factor is established by dividing the previous years' discount factor by the previous years' C.P.I. factor.

The weekly gross earnings reported by the claimant shall be multiplied by the established discount factors to produce the discounted gross earnings amounts to be used in the Wage Loss payment calculations.

## **U.S. DEPT. OF LABOR CONSUMER PRICE INDEX INFLATION FACTOR:**

| <b>YEAR</b> | <b>C.P.I.</b> |
|-------------|---------------|
| 2005        | 1.0360        |
| 2006        | 1.0250        |
| *****       |               |

- I. When the 25th month following MMI occurs in 1983, the following discount factor will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| <b>CALENDAR PAYMENT<br/>YEAR</b> | <b>DISCOUNT<br/>FACTOR</b> |
|----------------------------------|----------------------------|
| 2006                             | 0.4811                     |
| 2007                             | 0.4694                     |

- II. When the 25th month following MMI occurs in 1984, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| <b>CALENDAR PAYMENT<br/>YEAR</b> | <b>DISCOUNT<br/>FACTOR</b> |
|----------------------------------|----------------------------|
| 2006                             | 0.5000                     |
| 2007                             | 0.4878                     |

- III. When the 25th month following MMI occurs in 1985, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| <b>CALENDAR PAYMENT<br/>YEAR</b> | <b>DISCOUNT<br/>FACTOR</b> |
|----------------------------------|----------------------------|
| 2006                             | 0.5189                     |
| 2007                             | 0.5062                     |

- IV. When the 25th month following MMI occurs in 1986 the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.5396   |
| 2007             | 0.5264   |

- V. When the 25th month following MMI occurs in 1987, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.5597   |
| 2007             | 0.5460   |

- VI. When the 25th month following MMI occurs in 1988, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.5657   |
| 2007             | 0.5519   |

- VII. When the 25th month following MMI occurs in 1989, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.5906   |
| 2007             | 0.5762   |

- VIII. When the 25th month following MMI occurs in 1990, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.6168   |
| 2007             | 0.6018   |

- IX. When the 25th month following MMI occurs in 1991, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.6454   |
| 2007             | 0.6297   |

- X. When the 25th month following MMI occurs in 1992, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.6776   |
| 2007             | 0.6611   |

- XI. When the 25th month following MMI occurs in 1993, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.6985   |
| 2007             | 0.6815   |

XII. When the 25th month following MMI occurs in 1994, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.7185   |
| 2007             | 0.7010   |

XIII. When the 25th month following MMI occurs in 1995, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.7382   |
| 2007             | 0.7202   |

XIV. When the 25th month following MMI occurs in 1996, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.7580   |
| 2007             | 0.7395   |

XV. When the 25th month following MMI occurs in 1997, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.7770   |
| 2007             | 0.7580   |

XVI. When the 25th month following MMI occurs in 1998, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.8026   |
| 2007             | 0.7830   |

XVII. When the 25th month following MMI occurs in 1999, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.8170   |
| 2007             | 0.7971   |

XVIII. When the 25th month following MMI occurs in 2000, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.8300   |
| 2007             | 0.8098   |

XIX. When the 25th month following MMI occurs in 2001, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.8525   |
| 2007             | 0.8317   |

XX. When the 25th month following MMI occurs in 2002, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.8815   |
| 2007             | 0.8600   |

XXI. When the 25th month following MMI occurs in 2003, the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.8956   |
| 2007             | 0.8738   |

XXII. When the 25th month following MMI occurs in 2004 the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.9170   |
| 2007             | 0.8946   |

XXIII. When the 25th month following MMI occurs in 2005 the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT | DISCOUNT |
|------------------|----------|
| YEAR             | FACTOR   |
| 2006             | 0.9345   |
| 2007             | 0.9117   |

XXIV. When the 25th month following MMI occurs in 2006 the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT<br>YEAR | DISCOUNT<br>FACTOR |
|--------------------------|--------------------|
| 2006                     | 0.9653             |
| 2007                     | 0.9418             |

XXV. When the 25th month following MMI occurs in 2007 the following discount factors will be used for each Wage Loss payment made for the 25th month and subsequent month during the calendar year indicated. The same discount factor will be used for all payments made to the same claimant during the same calendar year.

| CALENDAR PAYMENT<br>YEAR | DISCOUNT<br>FACTOR |
|--------------------------|--------------------|
| 2007                     | 0.9761             |