



INFORMATIONAL MEMORANDUM

DFS-06-06M

ISSUED

Date April 12, 2006

Department of Financial Services

Tom Gallagher

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 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 multiply the discount factors so established. To produce the discounted gross earnings amount to be used in the Wage Loss payment calculations.

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

YEAR	C.P.I.
2003	1.0190
2004	1.0330
2005	1.0360

- 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.

CALENDAR PAYMENT YEAR	DISCOUNT FACTOR
2003	0.5246
2004	0.5148
2005	0.4984
2006	0.4811

- 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.

CALENDAR PAYMENT YEAR	DISCOUNT FACTOR
2003	0.5453
2004	0.5351
2005	0.5180
2006	0.5000

- 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.

CALENDAR PAYMENT YEAR	DISCOUNT FACTOR
2003	0.5659
2004	0.5553
2005	0.5376
2006	0.5189

- 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 YEAR	DISCOUNT FACTOR
2003	0.5884
2004	0.5774
2005	0.5590
2006	0.5396

- 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 YEAR	DISCOUNT FACTOR
2003	0.6104
2004	0.5990
2005	0.5799
2006	0.5597

- 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 YEAR	DISCOUNT FACTOR
2003	0.6169
2004	0.6054
2005	0.5861
2006	0.5657

- 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 YEAR	DISCOUNT FACTOR
2003	0.6441
2004	0.6321
2005	0.6119
2006	0.5906

- 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 YEAR	DISCOUNT FACTOR
2003	0.6726
2004	0.6601
2005	0.6390
2006	0.6168

- 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
2003	0.7038
2004	0.6907
2005	0.6686
2006	0.6454

- 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
2003	0.7390
2004	0.7252
2005	0.7020
2006	0.6776

- 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
2003	0.7617
2004	0.7475
2005	0.7236
2006	0.6985

- 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
2003	0.7836
2004	0.7690
2005	0.7444
2006	0.7185

- 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
2003	0.8051
2004	0.7900
2005	0.7648
2006	0.7382

- 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
2003	0.8266
2004	0.8112
2005	0.7853
2006	0.7580

- 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
2003	0.8474
2004	0.8316
2005	0.8050
2006	0.7770

- 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
2003	0.8752
2004	0.8589
2005	0.8315
2006	0.8026

- 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
2003	0.8909
2004	0.8743
2005	0.8464
2006	0.8170

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
2003	0.9052
2004	0.8883
2005	0.8599
2006	0.8300

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
2003	0.9296
2004	0.9123
2005	0.8832
2006	0.8525

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
2003	0.9612
2004	0.9433
2005	0.9132
2006	0.8815

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 YEAR	DISCOUNT FACTOR
2003	0.9766
2004	0.9584
2005	0.9278
2006	0.8956

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 YEAR	DISCOUNT FACTOR
2004	0.9814
2005	0.9500
2006	0.9170

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 YEAR	DISCOUNT FACTOR
2005	0.9681
2006	0.9345

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 YEAR	DISCOUNT FACTOR
2006	0.9653