

**Department of Personnel Administration  
Memorandum**

**TO: Personnel Management Liaisons (PML)**

<b>SUBJECT:</b> Workers' Compensation Costs, Fiscal Year 2006/2007	<b>REFERENCE NUMBER:</b> 2007-031
<b>DATE ISSUED:</b> 10/25/07	<b>SUPERSEDES:</b>

This memorandum should be forwarded to:

Personnel Officers  
Personnel Transactions Supervisors  
Return to Work/Claims Coordinators  
Health and Safety Officers

**FROM:** Department of Personnel Administration  
Benefits Division

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The workers' compensation payment data for Fiscal Year 2006/2007 is now available on the Department of Personnel Administration's Web site: <http://www.dpa.ca.gov/benefits/workers-comp/cost.htm>.

This data shows total workers' compensation costs during Fiscal Year 2006/2007, for the State of California by department.

The State's Fiscal Year 2006/2007 workers' compensation costs total \$466 million. This represents an increase of \$7 million (1.6%) over last year's costs. During the same time period, payroll costs increased by \$1.5 billion (12.8%).

While there was a slight increase in absolute costs, the State's workers' compensation costs as a percentage of payroll decreased from 3.73% to 3.36%.

Specific cost increases/decreases:

Temporary Disability Benefits	\$0.1 million increase	.3%
Permanent Disability Benefits	\$3.2 million decrease	-3.0%
Vocational Rehabilitation Benefits	\$3.6 million decrease	-35%
Supplemental Job Displacement Benefits	\$0.1 million increase	1,010%
Medical Expenses	\$16.6 million increase	9.8%
Service Fees	\$7.3 million increase	12%
Industrial Disability Leave Benefits	\$4.7 million decrease	-8.3%
Labor Code Section 4800,4800.5 Benefits	\$3.2 million decrease	-36.5%
Premiums	\$2.1 million decrease	-35%
<b>Total Change</b>	<b>\$7.3 million increase</b>	<b>1.6%</b>

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The number of open claims increased to 42,562 in June of 2007, compared to 40,697 in June of 2006. This is a difference of 1,865 claims (4.6%). This figure includes all active claims, regardless of the original date of injury.

If you have any questions or require additional information, please contact Tracy Caldwell at (916) 445-9760.

/s/Greg Beatty

Greg Beatty  
Chief, Benefits Division