



# Oregon

John A. Kitzhaber, MD, Governor

Department of Consumer and Business Services  
Workers' Compensation Division  
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www.wcd.oregon.gov

June 6, 2012

**To:** Workers' compensation insurers, self-insured employers, and third-party administrators

**Subject:** New state average weekly wage decrease affects benefit calculations

## Industry Notice

The state's average weekly wage (SAWW), defined in ORS 656.211, affects the computation of most workers' compensation benefits for all injuries occurring on or after July 1, 1973, including *temporary disability*, *permanent partial disability*, *permanent total disability*, and *fatal benefits*. Maximum benefit levels are tied to the SAWW, which the Employment Department determines by May 15 each year. Maximum benefit levels are then adjusted – usually up – for all workers on July 1.

The dollar amount a worker or beneficiary receives for temporary disability, permanent disability, or fatal benefits is based on the benefit levels in place on the date of injury. Historically, the average weekly wage has gone up each year.

***However, this year, the Employment Department notified the Department of Consumer and Business Services that the SAWW has decreased by 0.15 percent, from \$842.52 to \$841.26.***

Effective July 1, 2012, maximum benefit levels for workers injured on and after July 1, 2012, will be lower than current maximum levels. This means the following:

- Workers currently receiving benefits and any workers injured before July 1, 2012, will not have their benefits reduced on July 1, 2012.
- Workers injured on or after July 1, 2012, may potentially receive less in benefits because the maximum amount a worker can receive will be lower.
- Permanent partial disability for injuries on or after July 1, 2012, will be subject to the lower maximum benefit amount.
- Fatal benefits and burial benefits for workers fatally injured on or after July 1, 2012, will be based on the lower SAWW.
- The decrease in the SAWW may also affect the fee schedule for vocational assistance services.
- Attorney fees based on the SAWW will remain at the July 1, 2011, level.



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The following revised bulletins, which reflect the new SAWW, will be issued in June:

- Bulletin 111, "Computation of temporary disability, permanent disability, and fatal benefits based on Oregon's average weekly wage"
- Bulletin 124, "Required forms and procedures under rules governing vocational assistance to injured workers," and its Addendum, "Revised cost-of-living matrix and vocational assistance fee schedule"
- Bulletin 356, "Attorney fees"

**We encourage you to pay close attention to the revisions, particularly Bulletin 111 and how the new SAWW affects the calculation of benefits.**

In the meantime, if you have any questions, contact the Workers' Compensation Division at 800-452-0288.

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John Shilts, Administrator  
Workers' Compensation Division

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