



JOEL M. PRESSMAN  
COMMISSIONER

*The Commonwealth of Massachusetts*

*Department of Industrial Accidents*

*Leicester Sullonstall Building, Government Center*

*100 Cambridge Street, Boston 02202*

*617-727-3400*

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CIRCULAR LETTER NO. 227

TO: ALL INTERESTED PARTIES  
FROM: MARY PIGGOTT  
RE: COST-OF-LIVING ADJUSTMENTS

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M.G.L. c. 152, s. 34B, which provides cost-of-living adjustments to compensation, becomes effective on November 1, 1986.\* The adjustments affect recipients of survivor's and permanent and total disability benefits under M.G.L. c. 152, ss. 31 and 34A, respectively. To be eligible for an adjustment this year, such a recipient must have been injured prior to October 1, 1984.

The adjustment is based on the increase in the average weekly wage in the Commonwealth since the date of the recipient's injury.\*\* The calculation of the adjustment can be made by using the table of multipliers set out below. Simply multiply the recipient's weekly compensation by the multiplier in Column B which is applicable to the claimant's year of injury in Column A. The year of injury, for the purpose of making the calculation, begins on October 1st and ends on September 30th. As a result, the year of injury of a recipient injured, for example, on January 21, 1943 would be 1942. The year of injury of a recipient injured on December 15, 1943 would be 1943.

To illustrate this, assume that a recipient injured on April 21, 1942 has been receiving \$13.50 per week in compensation and is not eligible for social security disability benefits. The year of injury is 1941 and the applicable multiplier is 11.772906. The adjusted weekly compensation is the product of \$13.50 multiplied by 11.772906, or \$158.93

The following table contains the multipliers which are to be used to calculate the amount of adjusted compensation.

Column A	Column B
<u>Year of Injury</u>	<u>Multiplier</u>
1938	13.344311
1939	12.911087
1940	12.950197
1941	11.772906
1942	10.702642
1943	9.729675
1944	9.335357
1945	9.108533
1946	8.639318
1947	7.934763
1948	7.367557
1949	7.258470
1950	6.859997
1951	6.353875
1952	6.098504
1953	5.824466
1954	5.657290
1955	5.404611
1956	5.127749
1957	4.918022
1958	4.743533
1959	4.511281
1960	4.373013
1961	4.234510
1962	4.077810
1963	3.955480
1964	3.772829
1965	3.648976
1966	3.492658
1967	3.347131
1968	3.158046
1969	2.931658
1970	2.918457
1971	2.743408
1972	2.555307
1973	2.457905
1974	2.334409
1975	2.187757
1976	2.046434
1977	1.918500

A	B
<u>Year of Injury</u>	<u>Multiplier</u>
1978	1.809037
1979	1.682179
1980	1.557667
1981	1.416575
1982	1.287796
1983	1.197571

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\*It should be noted that under M.G.L. c. 152, s. 8, "if the insurer [or self-insurer]...fails to make any payments required under this chapter, and additional compensation is later ordered, the employee shall be paid by the insurer a penalty payment equal to twenty per cent of the additional compensation due on the date of such finding."

\*\*However, the amount of 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 workers' compensation recipient is receiving. The Social Security Administration reduces disability benefits in certain cases where the recipient is also receiving workers' compensation. Social security retirement benefits are unaffected. The formula used by the Social Security Administration to calculate the amount of the reduction should also be used to determine where to cap the workers' compensation cost-of-living adjustment. This formula is available from the regional office of the Social Security Administration.



Mary Piggott  
 Director of Administration