

**Cost effects of possible increases in  
Minnesota workers' compensation PPD benefit schedule**

*It is assumed that the benefit increase takes effect on October 1, 2022.  
Except as otherwise noted, all statistics below relate to that date.*

	Increase in PPD benefit schedule				
	5.0%	10.0%	20.0%	30.0%	40.0%
Increase in PPD benefits paid [1]	4.9%	9.8%	19.5%	29.1%	38.8%
Increase in indemnity benefits [2]	0.8%	1.6%	3.2%	4.7%	6.3%
Increase in WC system cost (%) [3]	0.2%	0.5%	0.9%	1.4%	1.8%
Increase in WC system cost (2019 \$) [4]	\$3.8M	\$7.5M	\$15.0M	\$22.4M	\$29.9M

1. This estimate reflects the effects of statutory discounting of the PPD benefit. If the claimant elects to receive the benefit in a lump sum rather than weekly, the insurer may discount the weekly amounts to a present value at an annual rate of no more than 5%. If the claimant receives the benefit weekly, it is assumed that the effective cost to the insurer is the present discounted value.
2. This is computed from the above row using the estimate that PPD benefits are 16.2% of total indemnity benefits. The 16.2% includes an estimated allocation of settlement benefits among the various other benefit types.
3. This is computed from the above row using the estimate that indemnity benefits account for 29.3% of total WC system cost (2019 DLI Workers' Compensation System Report).
4. This is computed from the above row using the DLI 2019 WC system cost estimate of \$1.62 billion.

Minnesota Department of Labor and Industry, Research and Statistics, December 2, 2021.