



# Income Benefits

in the Texas Workers'  
Compensation System

## 2025

Published July 2025

Per Chapter 405 of the Texas Labor Code, the Workers' Compensation Research and Evaluation Group (REG) at the Texas Department of Insurance (TDI) is responsible for conducting professional studies and research on various system issues, including:

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- Litigation and controversy related to workers' compensation.
- Insurance rates and rate-making procedures.
- Rehabilitation and reemployment of injured employees.
- Quality and cost of medical benefits.
- Employer participation in the workers' compensation system.
- Workplace health and safety issues.
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For more information, email [WCResearch@tdi.texas.gov](mailto:WCResearch@tdi.texas.gov).

# Acknowledgements

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REG would like to thank the Texas Department of Insurance, Division of Workers' Compensation (DWC) for their help in obtaining, evaluating, and analyzing injured employee workers' compensation claim data.

Conrado Garza managed the project, analyzed the data, and authored the report. Director Botao Shi, Dr. Hari Luintel, and Vivian Meng contributed valuable editorial comments.

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# Introduction

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This report estimates how much an injured employee's income benefits earned during their injury period help to replace their lost wages. This report also provides information on the percentage and characteristics of injured employees who received the maximum amount of income benefits.

## Benefits included in the analysis

- **Temporary income benefits (TIBs).** TIBs are paid during the period of temporary disability (lost time from work) while the employee is recovering from an on-the-job injury.
- **Impairment income benefits (IIBs).** IIBs are paid to injured employees for permanent impairments (impairment evaluations are currently based on the Guides to the Evaluation of Permanent Impairment, 4th Edition, published by the American Medical Association).
- **Supplemental income benefits (SIBs).** SIBs are paid to injured employees for ongoing disability after IIBs have been exhausted. Only employees with a 15% or higher impairment rating who are unemployed or underemployed because of their work-related injuries and meet DWC work search requirements are eligible to receive SIBs.
- **Lifetime income benefits (LIBs).** LIBs are paid for the life of the injured employee for specific injuries as set forth in Texas Labor Code Section 408.161 and Labor Code Section 408.1615.
- **Death benefits (DBs) and burial benefits.** DBs and burial benefits are paid to the deceased employee's spouse or eligible beneficiaries as a result of a death from a compensable injury.

## Data considerations and methods

Data for the analysis are extracted from DWC's claims and impairment rating databases, as well as the Texas Workforce Commission (TWC)'s unemployment insurance database. The study includes injured employees who received benefits during injury years 2015 to 2022. However, when considering figures for LIBs and DBs it should be noted that their small populations could produce, to some degree, unstable estimates and therefore be interpreted as such.

Sufficient time must pass before a complete picture of benefits can be calculated for the entire duration of a claim. Consequently, REG's ability to accurately report complete income replacement data is limited to earlier injury years. This is important to note for SIBs, which requires 401 weeks (approximately 7.5 years) for full maturity. SIBs data beyond injury year 2015 is therefore considered incomplete and must be interpreted with caution.

## Calculating the income replacement rate

The formula for the income replacement rate (IRR) is the amount of income benefits paid to the injured employee during a year divided by the amount of after-tax wages that would have been earned during that benefit payment period if the employee had not been injured. The IRR is a point estimate using

the most recent available data, and as such, the IRR should be viewed as a comparative, not absolute measurement. Because workers' compensation income benefits and DBs are not taxable, data on after-tax annual wages is vital to the IRR calculation. Since all the data necessary to calculate individual after-tax annual wage, specific exemptions, and deductions is unavailable, the IRR is estimated using weekly wage, and a general tax rate structure which varies depending on marital status and was significantly affected by tax bracket changes introduced in 2018.

## Maximum income benefit payments

A limited income benefit amount refers to payments equaling the maximum allowed at the **time of injury**.<sup>1</sup> The limited level restricts income benefit payments to injured employees with average weekly wages (AWWs) that are higher than the maximum allowable benefit amount. The Texas Legislature sets the maximum and minimum benefit amounts in with Labor Code Section 408.047. These amounts go into effect in a fiscal year that begins October 1 and ends September 30. For example, fiscal year 2015 changes to the benefit amounts were effective from October 1, 2014, through September 30, 2015. For this report, the year of benefit changes refers to the appropriate fiscal year.

## State average weekly wage

Each year DWC, in accordance with Labor Code Section 408.047, computes the workers' compensation state average weekly wage (SAWW) using data from the TWC under Labor Code Section 207.002(c). The SAWW was established statutorily in 2004, prior to 2004 the SAWW was based on the AWW of manufacturing production workers in Texas.

## Maximum benefit amount

- **Weekly TIBs payments.** TIBs are 70% of the difference between the injured employee's AWW and the money they are able to earn after their work-related injury. TIBs payments may not exceed 100% of the SAWW rounded to the nearest whole dollar.
- **Weekly IIBs payments.** The amount of IIBs the injured employee may be able to get are based on an impairment rating given by a health care provider. IIBs payments may not exceed 70% of the SAWW rounded to the nearest whole dollar.
- **Weekly SIBs payments.** The insurance carrier pays SIBs to an injured employee after IIBs have ended. SIBs are 80% of what the injured employee gets when subtracting the difference between 80% of the AWW and any wages the injured employee gets after their injury. SIBs payments may not exceed 70% of the SAWW rounded to the nearest whole dollar.
- **Weekly LIBs payments.** An injured employee can get benefits for the rest of their life if they have specific injuries. LIBs payments may not exceed 100% of the SAWW rounded to the nearest whole dollar. LIBs benefits increase 3% each year.

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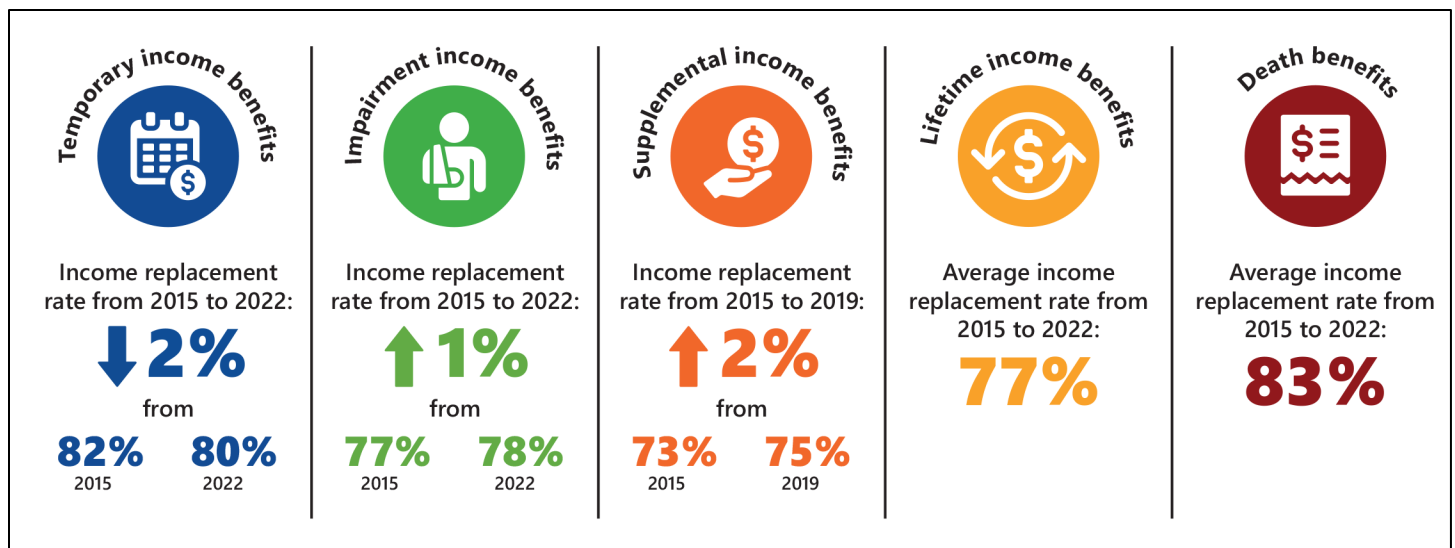
<sup>1</sup> Benefit information can be found in Labor Code Section 408.061.

- **Weekly DBs payments.** DBs help families replace some of the money lost when an employee dies of a work-related injury or illness. DBs are 75% of the deceased employee's AWW. DBs payments may not exceed 100% of the SAWW rounded to the nearest whole dollar.

## Executive summary

With the system's reductions in medical costs and improvements in injured employee return-to-work rates, we turn our attention to income benefits paid to injured employees, especially those paid to high-wage earners who receive the maximum compensation rate. Workers' compensation income benefits are not taxable, so to adequately measure current statutory compensation rates, the amount of workers' compensation income benefits received must be compared to an injured employee's after-tax earnings. In 2018 new tax regulations went into effect, increasing after-tax earnings for employees. As a result, data shows decreases around 2018, before returning to pre-2018 levels.

## Key findings

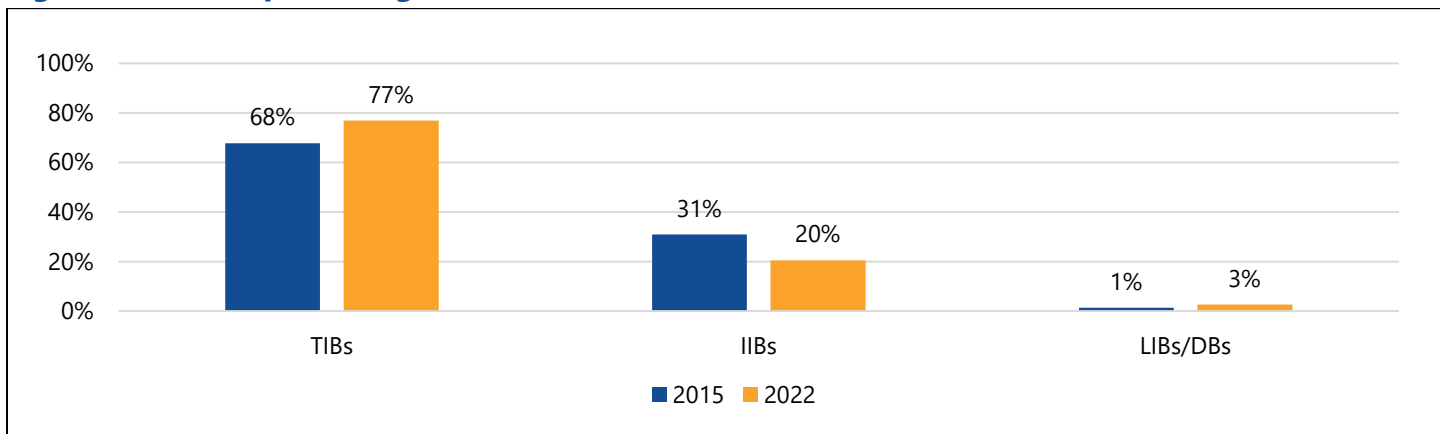


# Benefits by type and injury year, 2015 to 2022

## Expenditures

TIBs and IIBs combined account for more than 95% of the total income benefits paid to injured employees. The distribution of total income benefits has changed notably over time (Figure 1). From 2015 to 2022, the share of IIBs paid decreased from 31% to 20%. Over the same time frame, the share of TIBs increased from 68% to 77%. This change did not lead to an increase in overall costs.

**Figure 1: Benefit percentage**



Source: Workers' Compensation Research and Evaluation Group, 2025.

Total payments for all income benefits combined had a slight downward trend between 2015 and 2022 (Table 1). It's important to mention additional benefits do not begin until the injured employee receiving TIBs reaches maximum medical improvement (MMI) or 104 weeks of benefits. Accordingly, more recent claims may not have qualified yet for other income benefits which likely affect the distribution of the total income benefit costs.

**Table 1: Total benefit payments (in millions), by benefit type and injury year**

Injury year	TIBs	IIBs	SIBs	LIBs	DBs	Total
2015	\$371	\$168	\$13	\$1	\$6	\$560
2016	\$354	\$156	\$15	\$2	\$6	\$532
2017	\$359	\$154	\$13	\$2	\$6	\$533
2018	\$388	\$163	\$12	\$1	\$6	\$570
2019	\$403	\$159	\$9	\$1	\$8	\$580
2020	\$355	\$128	*	\$2	\$12	\$500
2021	\$386	\$126	*	\$2	\$19	\$534
2022	\$400	\$106	*	\$1	\$12	\$520

\*Note: Complete data is not available because claims are not yet mature for this benefit type.

Source: Workers' Compensation Research and Evaluation Group, 2025.

## Claims

Resembling the total income and DBs costs, the number of income benefit claims was relatively stable from 2015 to 2022, with TIBs and IIBs holding the largest shares at over 99% of income benefit claims (Table 2)<sup>2</sup>. Across all measured years approximately 40% of TIBs recipients ultimately received IIBs, meaning half of all injured employees with more than seven days lost time from work received an impairment rating greater than zero. Generally, around 1% of IIBs recipients receive an impairment rating of at least 15%, qualifying them for SIBs benefits. The total number of DBs beneficiaries is mostly stable around a little over 100; however, 2021 had the highest number of the studied years at 228.

**Table 2: Number of claims, by benefit type and injury year**

Injury year	TIBs	IIBs	SIBs	LIBs	DBs
2015	44,475	20,759	249	80	94
2016	43,466	19,118	229	89	92
2017	43,868	18,323	241	68	85
2018	46,438	18,704	295	56	93
2019	45,498	17,955	277	64	109
2020	45,169	14,732	*	64	163
2021	50,491	15,139	*	67	228
2022	49,302	14,073	*	48	187

\*Note: Complete data is not available because claims are not yet mature for this benefit type.

Source: Workers' Compensation Research and Evaluation Group, 2025.

## Income benefit duration by benefit type and limited benefit status

For this study, income benefit duration is a measure of time from the date of injury to the benefit expiration date, the cutoff date for the study data file, December 2022, or whichever came first. Consequently, average durations for more recent injuries will most likely be lower than for older injuries, especially since more recent injuries might still be receiving income benefits.

Injured employees that reach the maximum benefit level are labeled (Y) and those that do not reach the maximum benefit level are labeled (N). In general, the average duration of benefits has decreased from 2015 to 2022 (Table 3). TIBs and IIBs have similar duration distributions for both groups by injury year. However, SIBs, LIBs, and DBs benefit durations differ significantly when compared to each other, with injured employees that do not reach the maximum benefit level (N) having significantly higher durations.

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<sup>2</sup> LIBs and DBs figures are currently the best estimate of total benefit payments for those benefit types. It is important to note that these estimates are subject to revision and must be viewed with caution.

**Table 3: Average benefit durations in weeks, by benefit type and maximum benefit status**

Injury year	TIBs		IIBs		SIBs		LIBs		DBs	
	Y	N	Y	N	Y	N	Y	N	Y	N
2015	19	16	17	17	94	117	26	30	65	70
2016	18	16	17	17	112	111	22	19	61	81
2017	18	15	17	17	110	117	26	29	69	93
2018	18	15	17	17	88	88	44	45	66	68
2019	18	15	17	17	70	75	19	15	65	136
2020	16	14	16	16	*	*	39	52	70	113
2021	13	13	15	15	*	*	14	49	93	100
2022	13	13	12	13	*	*	39	23	85	77

\*Note: Complete data is not available because claims are not yet mature for this benefit type.

Source: Workers' Compensation Research and Evaluation Group, 2025.

## Claims with impairment ratings of 15% or greater

Since 2015, both the number of claims with an impairment rating and those with an impairment rating of 15% or greater have trended downward (Table 4). The significant decrease over the injury years studied is subject to change due to claim maturity.

**Table 4: Claims with impairment rating 15% or greater**

Injury year	Total claims with IR	IR 15%+ claims	Percent IR 15%+
2015	42,506	2,456	5.8%
2016	39,665	2,239	5.6%
2017	38,260	2,220	5.8%
2018	39,133	2,464	6.3%
2019	37,585	2,409	6.4%
2020	30,703	1,840	6.0%
2021	32,684	1,882	5.8%
2022	31,546	1,546	4.9%

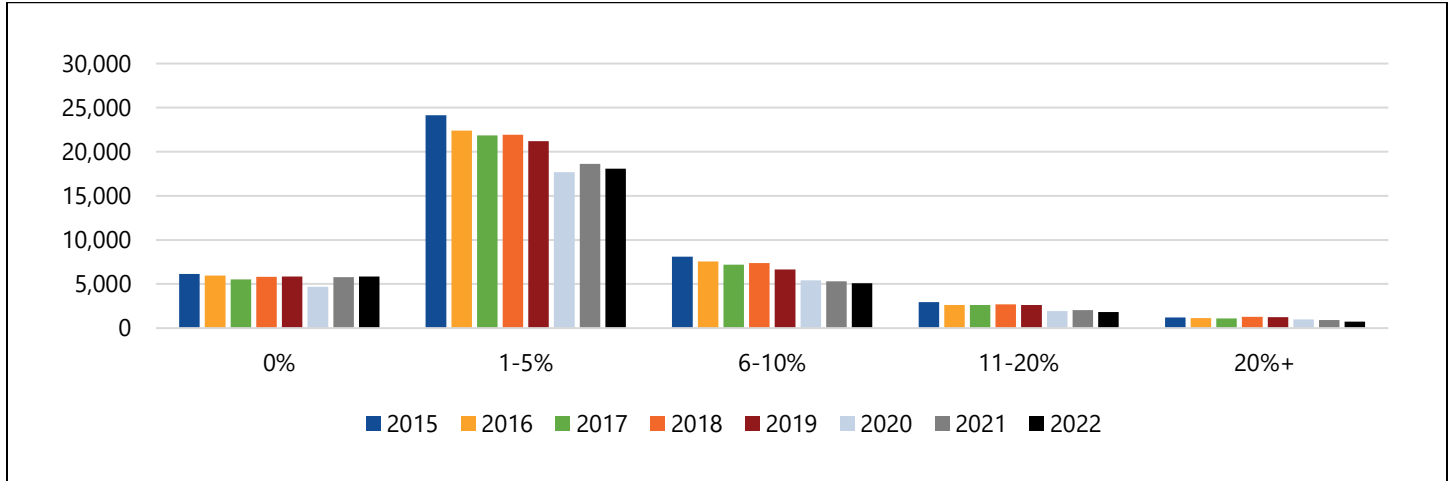
Source: Workers' Compensation Research and Evaluation Group, 2025.

## Impairment rating groups

Impairment ratings are a measurement of the permanent damage to an injured employee's body and can range anywhere from 0 to 100%. The impairment rating groups graph shows that the distribution of impairment ratings is concentrated in the "1-5" group, meaning that most injured employee

impairment ratings are between 1% and 5% (Figure 2). The overall volume of the largest group, "1-5", has decreased significantly from 2015 to 2022.

**Figure 2: Impairment rating groups, by injury year**



Source: Workers' Compensation Research and Evaluation Group, 2025.

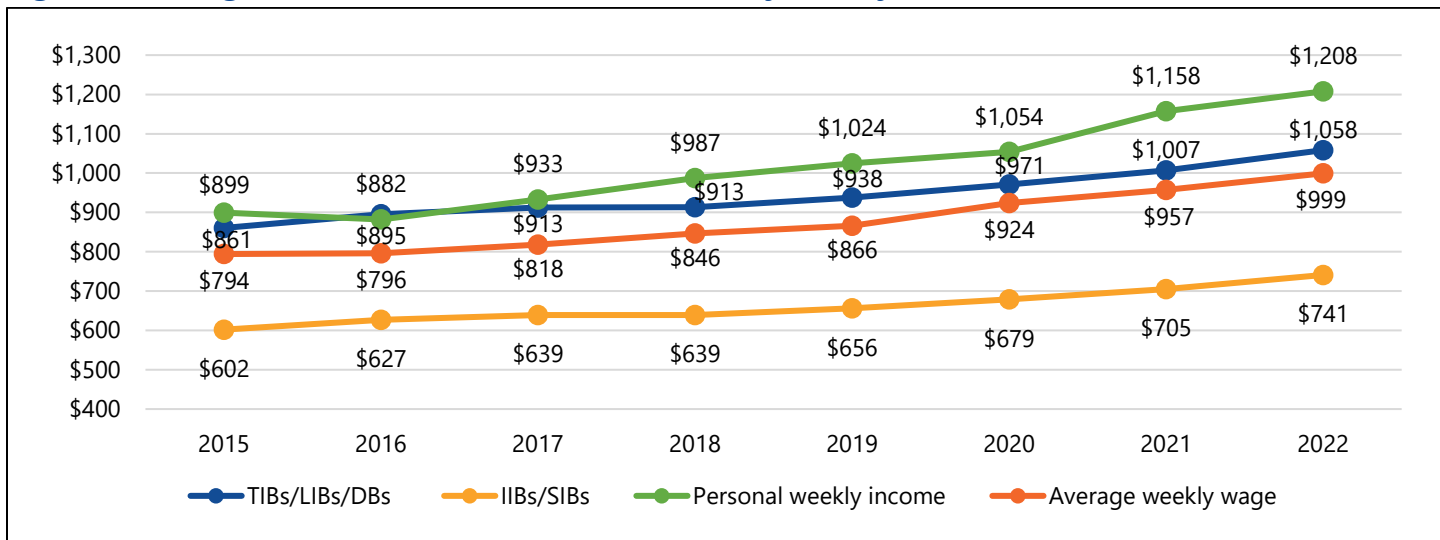
## Changes in maximum income benefit amounts and per capita income over time

The maximum weekly benefit amount established in the Texas Workers' Compensation Act applies to dates of injury on or after January 1, 1991.<sup>3</sup> TIBs, LIBs, and DBs increased from \$861 per week to \$1,058 from 2015 to 2022. SIBs and IIBs increased from \$602 to \$741 from 2015 to 2022. Maximum benefit amounts for all benefit types steadily increased during the study period, at an average of \$26 per year for TIBs, LIBs, and DBs and an average of \$18 for IIBs and SIBs (Figure 3).

<sup>3</sup> In accordance with the Labor Code Section 408.047, the workers' compensation SAWW is equal to 88% of the AWW in covered employment as computed each year by TWC under Labor Code Section 207.002(c).

Minimum benefit amounts increased similarly for all benefit types except for SIBs and DBs, which have no minimum benefit amount. The personal weekly income, sourced from the U.S. Bureau of Economic Analysis. AWW is the average reported weekly wage for all benefit types studied. All figures are in current dollars, not adjusted for inflation.

**Figure 3: Changes in maximum benefit amounts, by fiscal year**



Source: Workers' Compensation Research and Evaluation Group, 2025.

## Temporary income benefits

**Eligibility:** Loss of more than seven days of work due to work-related injury or illness.

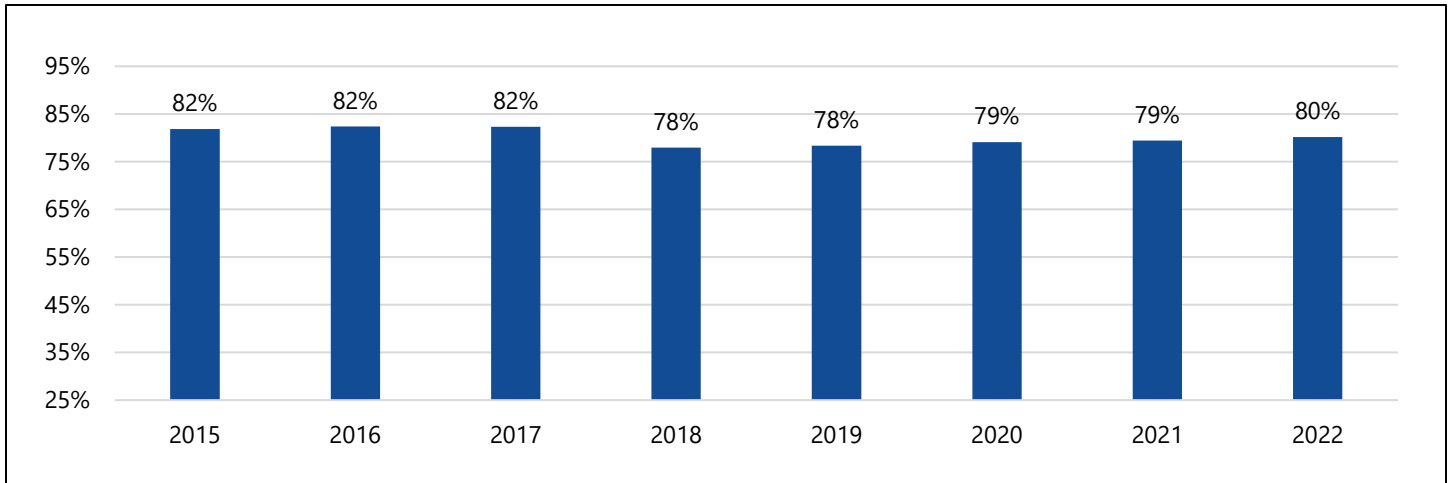
**Benefit amount:** TIBs are 70% of the difference between the injured employees' AWW and any wages earned after the work-related injury, limited at the SAWW. The amount increases to 75% for the first 26 weeks of payments if the injured employee earned less than \$8.50/hr. (for injuries that occurred before September 1, 2015), or \$10/hr. (for injuries that occurred after September 1, 2015).

**Time limit:** Benefits end when the injured employee reaches MMI, returns to earning the pre-injury AWW, or reaches the end of 104 weeks from the 8th day of disability.

## Income replacement rate (IRR) by injury year

The TIBs IRR decreased from 82% in injury year 2015 to 78% in 2018 due to changes in tax regulations, before returning to 80% in 2022 (Figure 4). The average IRR was roughly 80% across the study period.

**Figure 4: TIBs IRR by injury year**

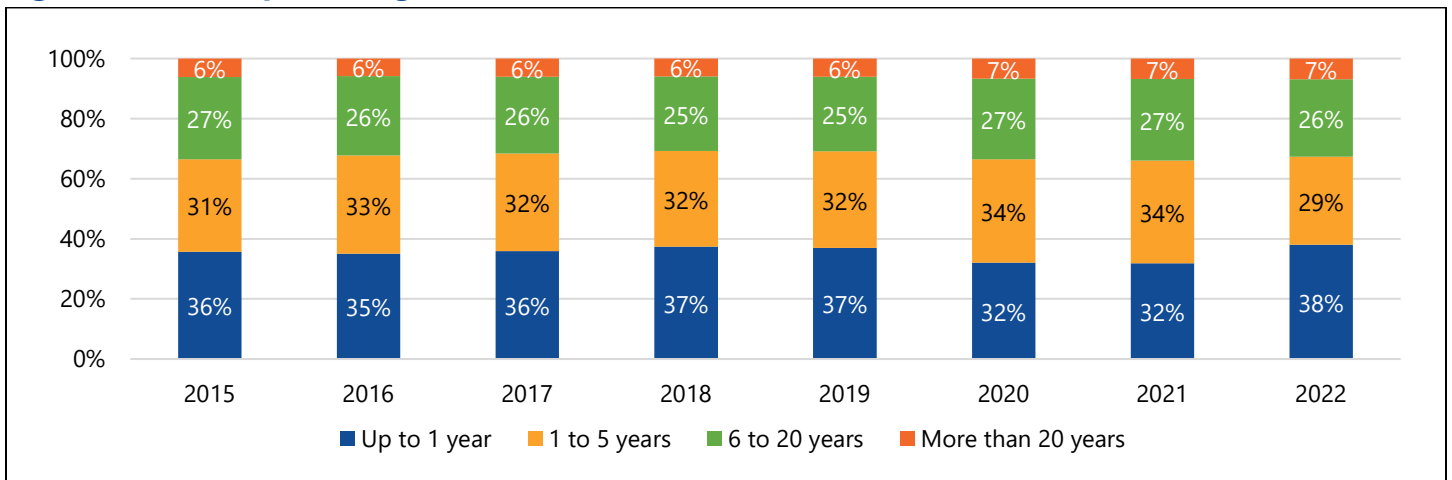


Source: Workers' Compensation Research and Evaluation Group, 2025.

## Employment duration

Employment duration for injured employees receiving TIBs is the difference between the employee's injury date and date of hire. Percentages by duration groups were generally stable from 2015 to 2022, with employees working "Up to 1 year" having the highest average percentage, at 35% (Figure 5). From the overall trend we can see that as employment duration increases the percentage of injured employees receiving TIBs decreases, with the lowest percentage group being "More than 20 years."

**Figure 5: Benefit percentage**

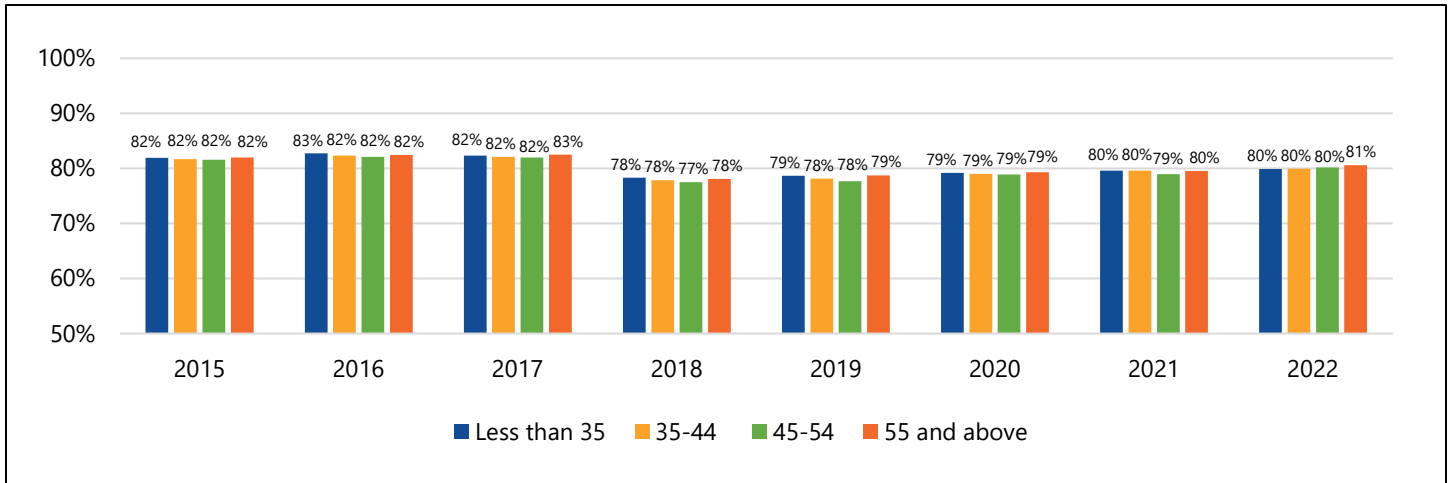


Source: Workers' Compensation Research and Evaluation Group, 2025.

## IRR by age

IRRs for all age groups declined about 4% in 2018 due to changes in tax regulations but rebounded, rising steadily through 2022 (Figure 6). The average IRR across all age groups was 80%.

**Figure 6: IRR by age**

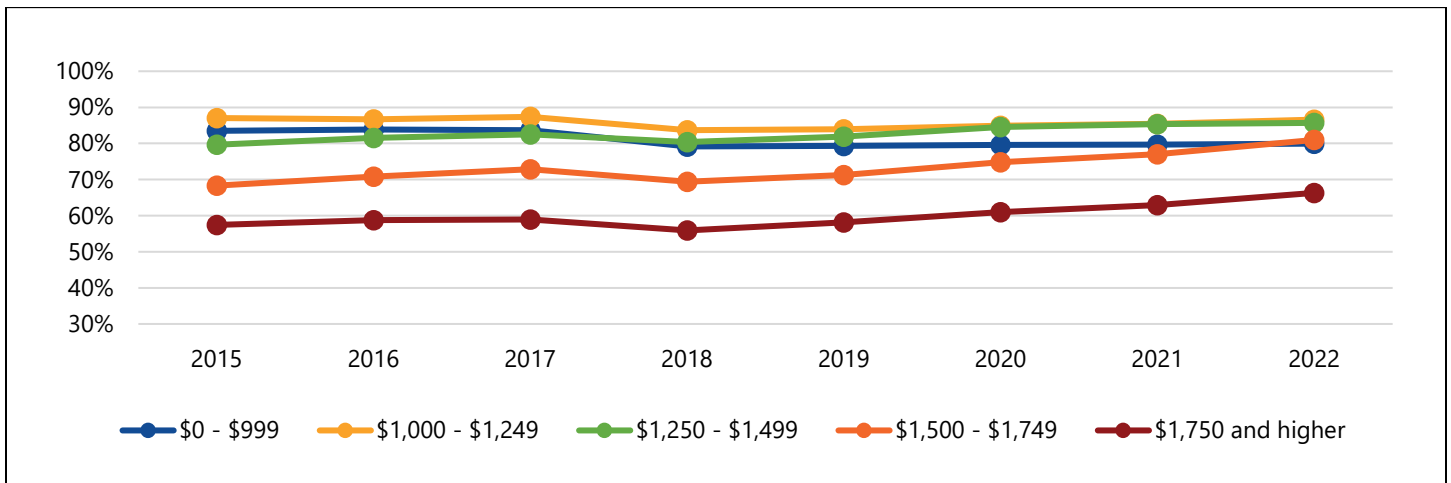


Source: Workers' Compensation Research and Evaluation Group, 2025.

## IRR by pre-injury weekly wage

The TIBs IRRs were relatively stable across all pre-injury weekly wage groups, with a slight decline in 2018 due to tax regulation changes, followed by a steady recovery from 2018 to 2022 (Figure 7). From 2015 to 2022 the average IRR was roughly 81% for pre-injury weekly wage group "\$0-\$999" and 60% for "\$1,750 and higher."

**Figure 7: IRR by pre-injury weekly wage**



Source: Workers' Compensation Research and Evaluation Group, 2025.

## IRR by industry

From injury years 2015 to 2022 “Agriculture” had the highest average IRR at 82% and “Public Administration” saw the lowest at roughly 77% (Table 5). The average IRR for injury year 2015 for all industries was 82%, and the average IRR for injury year 2022 for all industries was 80%.

**Table 5: IRR by industry**

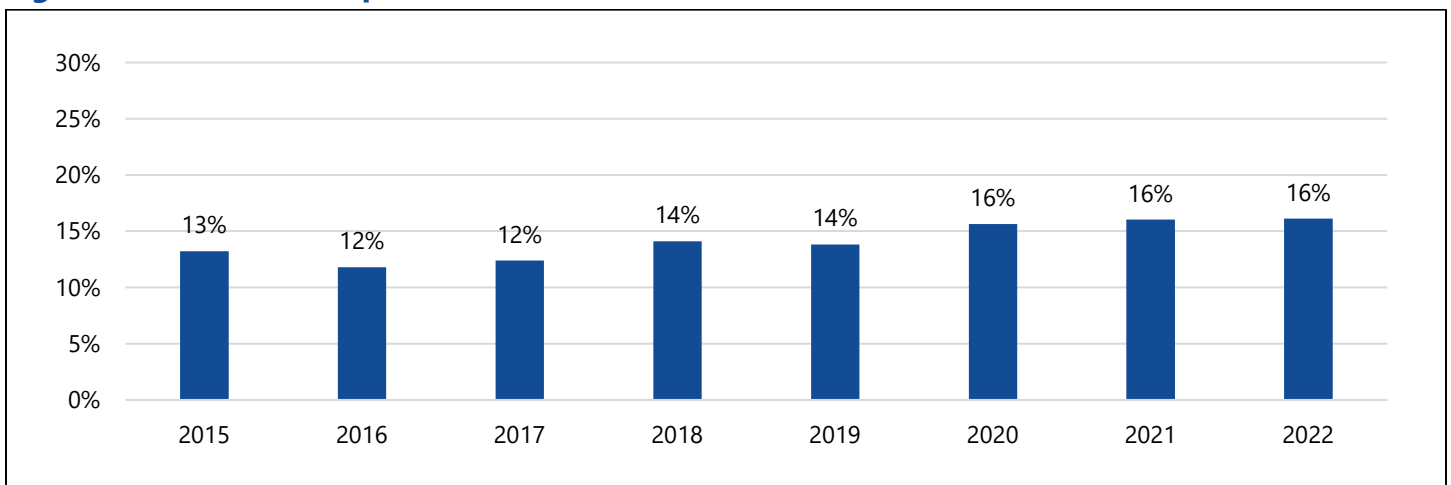
Injury year	Agriculture	Mining / Utilities / Construction	Manufacturing	Wholesale / Retail / Transportation	Professional Group	Education / Health	Art / Accommodation	Other Services	Public Administration
2015	84%	82%	81%	81%	82%	82%	83%	81%	79%
2016	84%	83%	81%	82%	82%	82%	83%	84%	80%
2017	84%	83%	82%	82%	83%	82%	82%	84%	78%
2018	80%	78%	78%	78%	78%	78%	78%	79%	76%
2019	80%	79%	77%	78%	79%	78%	79%	79%	74%
2020	81%	80%	79%	79%	79%	78%	79%	80%	77%
2021	80%	80%	79%	80%	79%	79%	80%	81%	77%
2022	81%	81%	80%	83%	80%	79%	80%	80%	78%

Source: Workers’ Compensation Research and Evaluation Group, 2025.

## Percent of recipients with benefits limited at maximum amount

DWC calculates the maximum weekly income benefit for each year (October 1 to September 30) no later than October 1 every year. From injury years 2015 to 2022, the maximum TIBs payment amounts increased from \$861 to \$1,058. The percentage of TIBs recipients reaching the maximum benefit level increased from 13% in 2015 to 16% in 2022 (Figure 8). This percentage decreased to 12% in 2016 but returned to previous levels by 2018.

**Figure 8: Percent of recipients limited at the maximum benefit level**

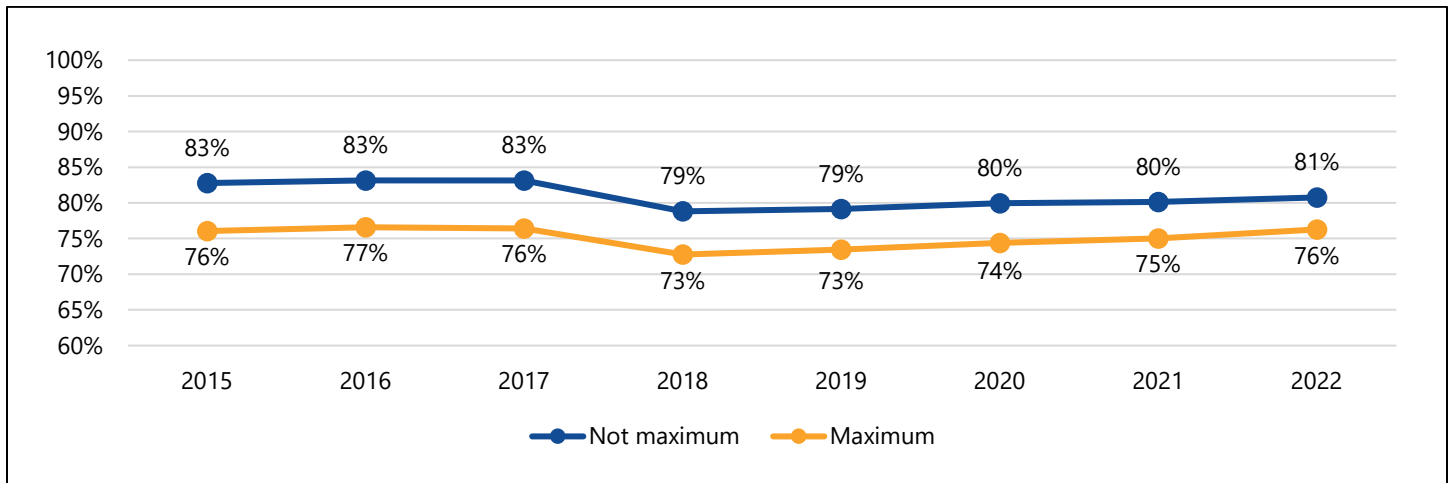


Source: Workers’ Compensation Research and Evaluation Group, 2025.

## IRR of injured employees with maximum TIBs amount

The average IRR was roughly 81% for those without maxed wages and 75% for those with maxed wages from injury years 2015 to 2022 (Figure 9). The TIBs IRR for those who reached the maximum benefit level was 76% in 2015, declined in 2018 to 73%, before returning to 76% in 2022. Employees who earn weekly wages greater than the maximum benefit level will consequently have an IRR lower than employees who earn weekly wages below the maximum benefit amount.

Figure 9: IRR by maximum benefit status



Source: Workers' Compensation Research and Evaluation Group, 2025.

## Impairment income benefits

**Eligibility:** An injured employee becomes eligible for IIBs when MMI is reached, and they are assigned an impairment rating greater than zero. A doctor assigns this impairment rating using the American Medical Association's Guides to the Evaluation of Permanent Impairment, 4th Edition.

IIBs are designed to compensate for an employee's permanent impairment due to a work-related injury.

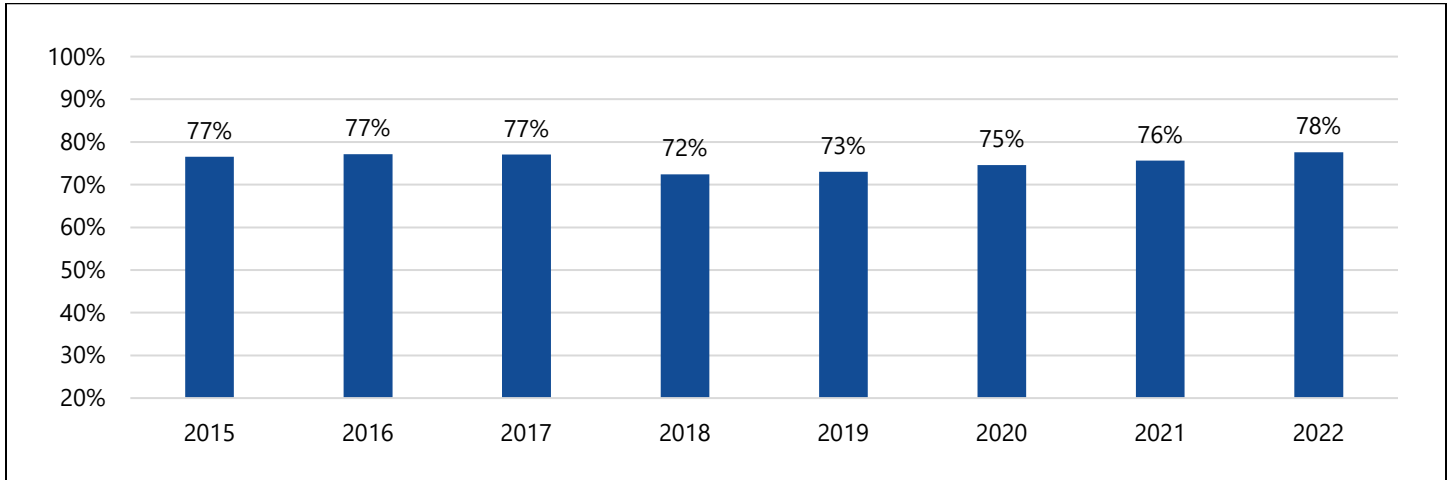
**Benefit amount:** 70% of the injured employees' AWW, limited to 70% of the SAWW. Three weeks of IIBs are paid for each percentage point of impairment.

**Time limit:** Benefits end after the number of benefit weeks (three times the impairment rating) is reached.

## IRR by injury year

The IIBs IRR over the studied time frame was relatively stable with an average IRR of 75% (Figure 10). However, the IRR did decrease from 77% in 2015 to 72% in 2018, due to changes in tax regulations, then increased to 78% in 2022.

**Figure 10: IRR by injury year**

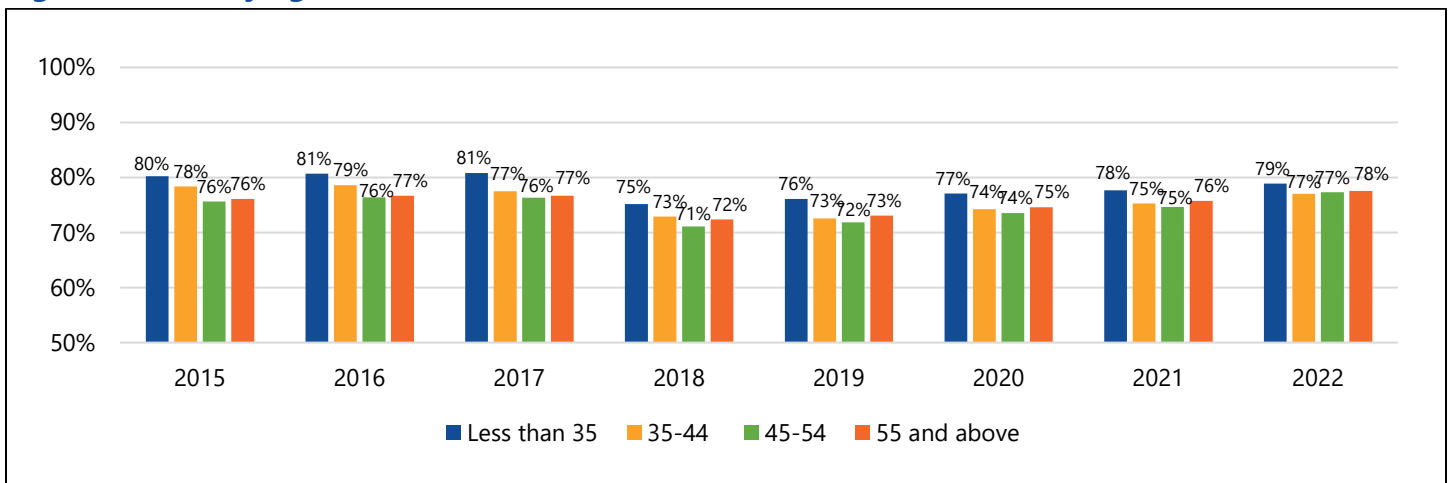


Source: Workers' Compensation Research and Evaluation Group, 2025.

## IRR by age

All age groups had a significant drop in 2018 and rebounded nearly back to original levels by 2022 (Figure 11). The average IIBs IRR was 78% for age groups "Less than 35" and 75% for "55 and above." The inversely proportional relationship between age and IRR, as age increases IRR decreases, is likely caused by the fact that generally older employees have higher wages and are more likely to reach the maximum level of benefits.

**Figure 11: IRR by age**

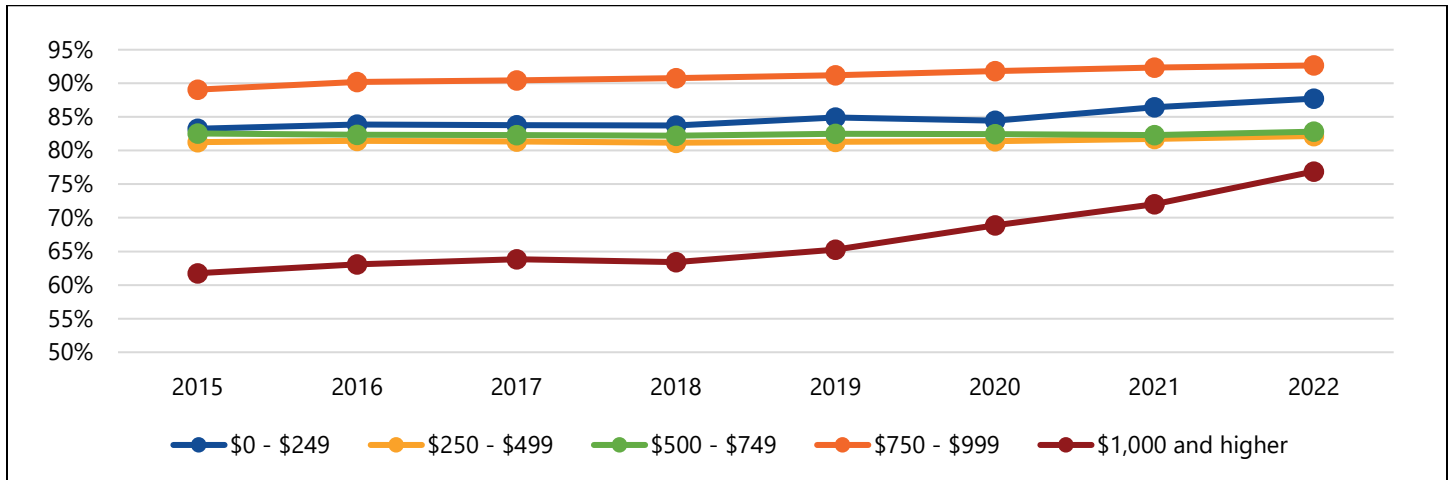


Source: Workers' Compensation Research and Evaluation Group, 2025.

## IRR by pre-injury weekly wage

The average IIRs IRR for pre-injury weekly wages between “\$0-\$249” was 85% and 67% for wages “\$1,000 and higher” (Figure 12). Employees earning higher wages generally have lower IRRs, except for the “\$750-\$999” group, which had the highest IRR over the studied years.

**Figure 12: IRR by pre-injury weekly wage**



Source: Workers’ Compensation Research and Evaluation Group, 2025.

## IRR by industry

The IIRs IRRs for all industries saw a significant decrease in 2018 due to changes in tax regulations (Table 6). From injury years 2015 to 2022 industry groups “Agriculture” and “Arts/Accommodation” had the highest average IRR at 78% and “Public Administration” had the lowest average IRR at 70%. The overall average IRR for all industries was 75%.

**Table 6: IRR by industry**

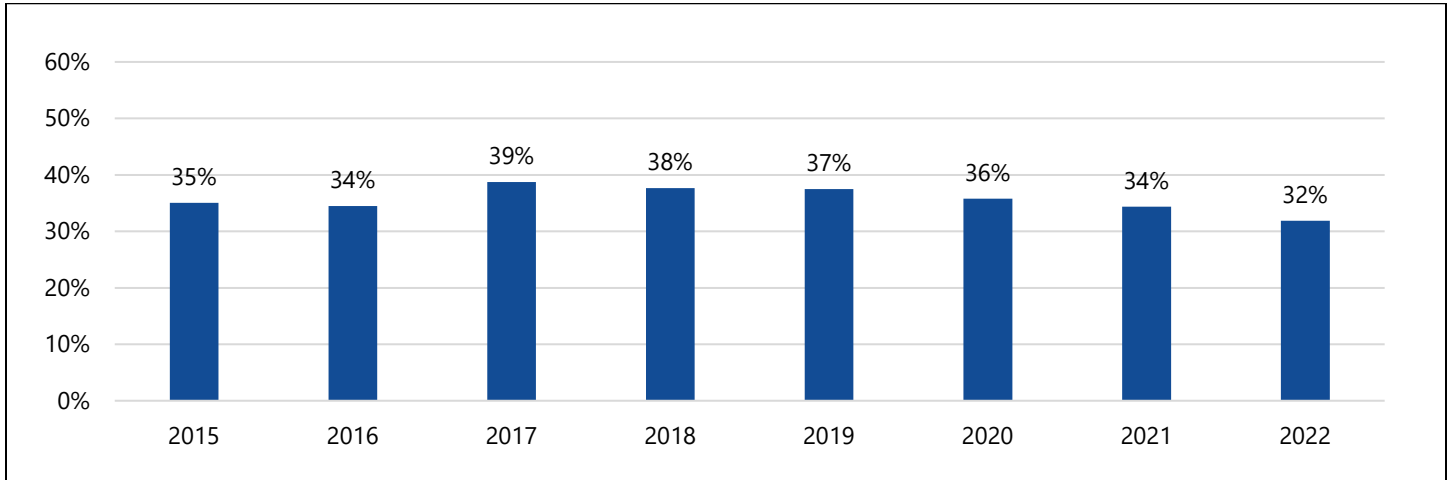
Injury year	Agriculture	Mining / Utilities / Construction	Manufacturing	Wholesale / Retail / Transportation	Professional Group	Education / Health	Art / Accommodation	Other Services	Public Administration
2015	80%	77%	77%	77%	76%	74%	77%	76%	70%
2016	81%	78%	78%	77%	77%	74%	80%	78%	70%
2017	81%	77%	78%	77%	77%	74%	79%	77%	73%
2018	76%	72%	73%	73%	73%	71%	75%	71%	66%
2019	76%	72%	74%	74%	74%	70%	76%	75%	68%
2020	76%	74%	75%	75%	75%	72%	77%	75%	70%
2021	77%	75%	77%	76%	76%	73%	78%	76%	71%
2022	78%	77%	79%	78%	78%	75%	79%	77%	70%

Source: Workers’ Compensation Research and Evaluation Group, 2025.

## Percent of recipients with benefits limited to the maximum amount

The percentage of recipients reaching the maximum benefit amount was 35% in 2015, before increasing to 39% in 2017, then steadily decreasing to 32% in 2022 (Figure 13). The average percentage of IIBs recipients reaching the maximum benefit amount across the study period was 36%.

**Figure 13: Percent of recipients limited at the maximum benefit level**

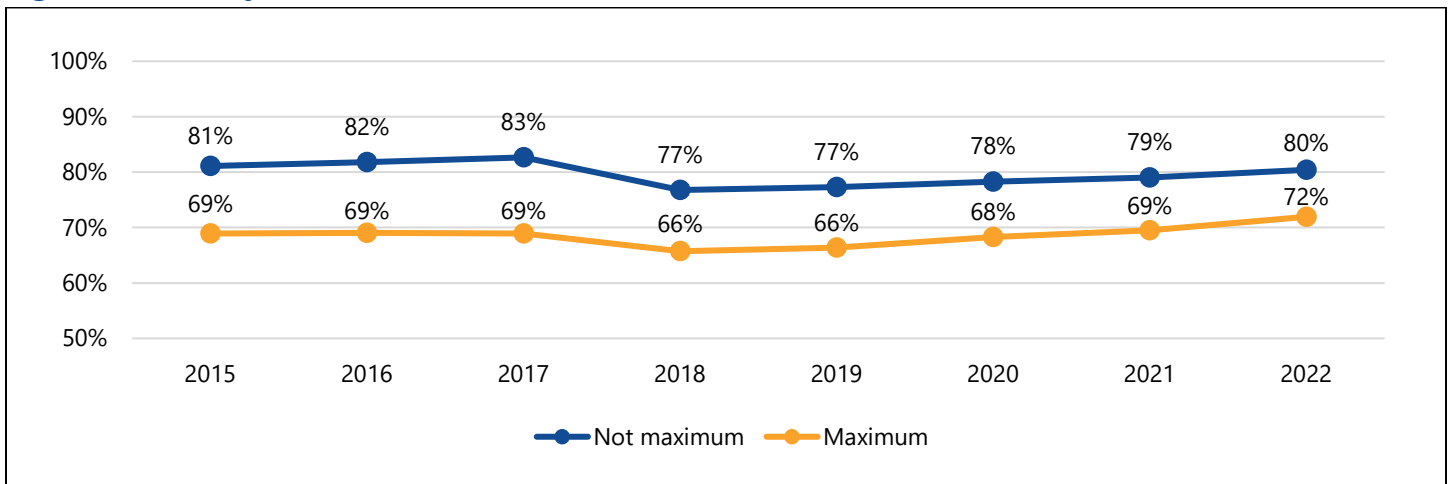


Source: Workers' Compensation Research and Evaluation Group, 2025.

## IRR of injured employees with maximum amount

The average IRR was 69% for those with maxed wages and 80% for those without maxed wages (Figure 14). The IIBs IRR for those with maxed wages increased from 69% in 2015 to 72% in 2022. The IIBs IRR for those without maxed wages was 81% in 2015, before dropping to 77% in 2018 due to tax regulation changes, and steadily increased to 80% by 2022.

**Figure 14: IRR by maximum benefit status**



Source: Workers' Compensation Research and Evaluation Group, 2025.

# Supplemental income benefits

**Eligibility:** An injured employee becomes eligible for SIBs when they:

- Have an impairment rating of 15% or more.
- Have not returned to work because of the impairment or have returned to work but are earning less than 80% of their pre-injury AWW because of the impairment.
- Do not take a lump sum payment of IIBs.
- Have tried to find a job that matches their ability to work.

**Benefit amount:** 80% of the difference between 80% of the employees' AWW and the weekly wage after the injury, limited to 70% of the SAWW.

**Time limit:** Benefits begin the day after IIBs end. Total benefits can be received for a maximum of 401 weeks (approximately 7.5 years) from the date of injury, unless the injured employee qualifies for LIBs.

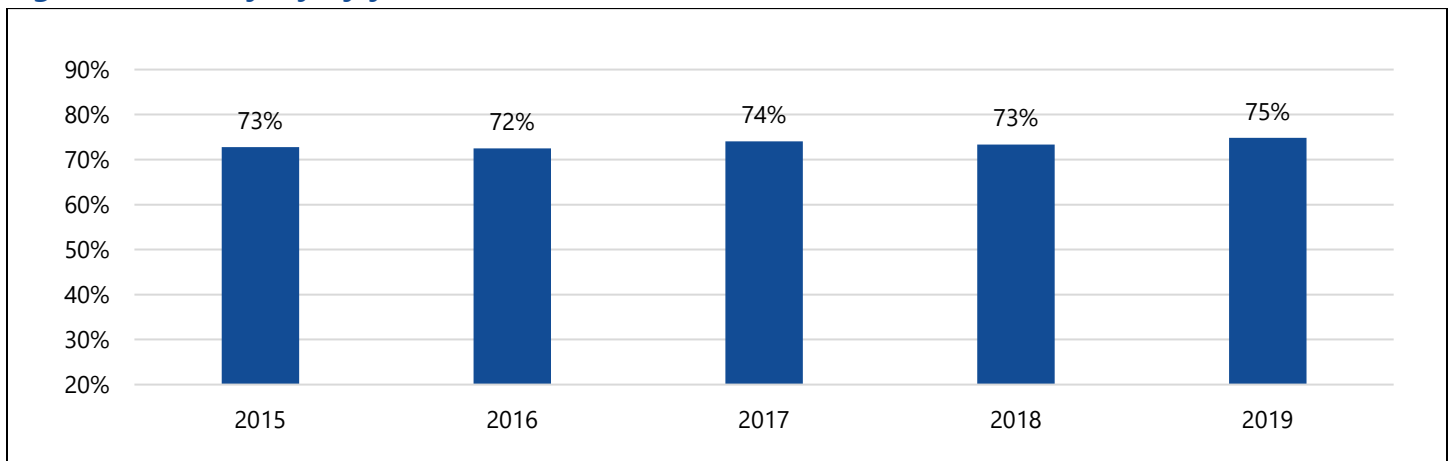
## Interpreting IRRs

Because of the extended timeframe required for most qualifying SIBs recipients to reach MMI and to exhaust the statutory maximum total benefit duration, this section analyzing SIBs is limited to injury years 2015 to 2019. Therefore, SIBs outcomes for those injured employees whose claims have not reached 401 weeks must be interpreted with the understanding that future data might change current results. The total number of cases by age of employee, pre-injury weekly wage, and industry are too few to provide stable yearly estimates. In order to provide more reliable findings for characteristics in this analysis, all SIBs cases are analyzed together, rather than by injury year.

## IRR by injury year

The SIBs IRRs for injured employees from 2015 to 2019 were relatively stable with a maximum of 75% in 2019 (Figure 15). The overall IRR for injured employees from 2015 to 2019 was 73%.

**Figure 15: IRR by injury year**

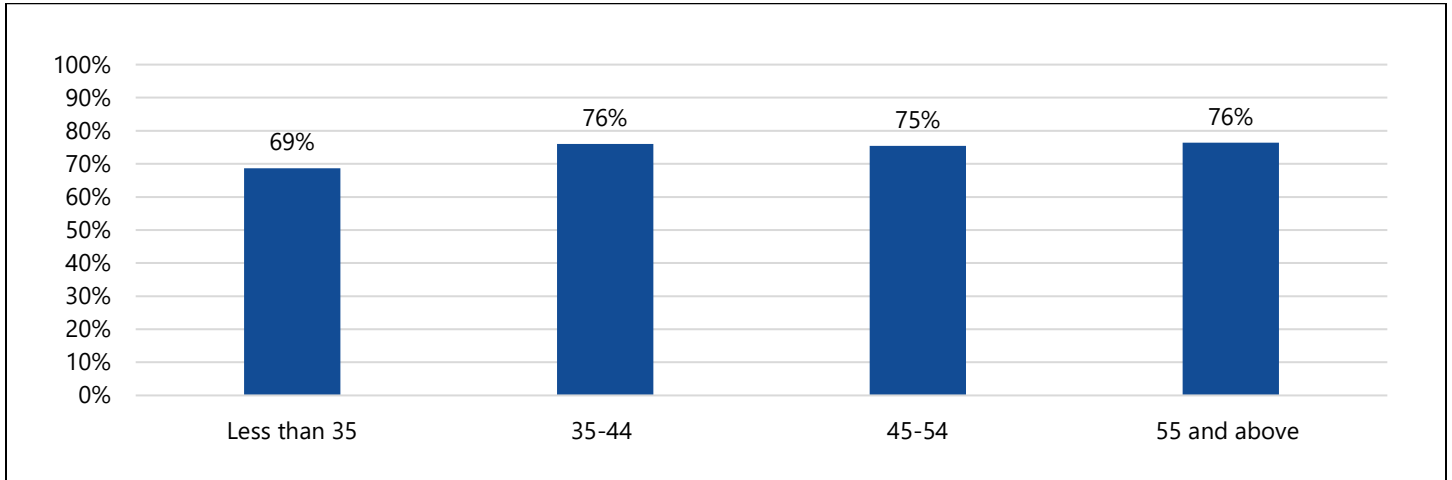


Source: Workers' Compensation Research and Evaluation Group, 2025.

## IRR by age

The SIBs IRRs for injured employees increased as age increased (Figure 16). The average IRR was 74% from 2015 to 2019, with employees 35 and older over this average and employees younger than 35 under this average.

**Figure 16: IRR by age**

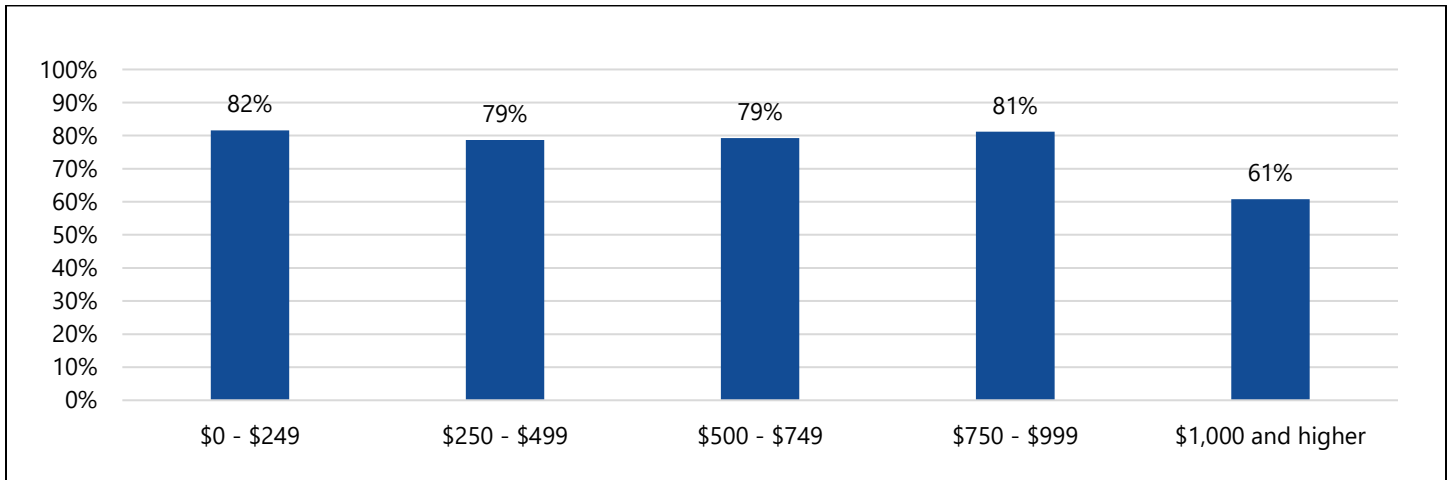


Source: Workers' Compensation Research and Evaluation Group, 2025.

## IRR by pre-injury weekly wage

The overall average for all pre-injury weekly wage groups was 76% (Figure 17). The first four SIBs pre-injury weekly wage groups had an average IRR of 80%. The IRR for the pre-injury weekly wage group "\$1,000 and higher" was significantly lower at 61%. This is likely due to a higher possibility of benefits reaching the maximum benefit levels.

**Figure 17: IRR by pre-injury weekly wage**

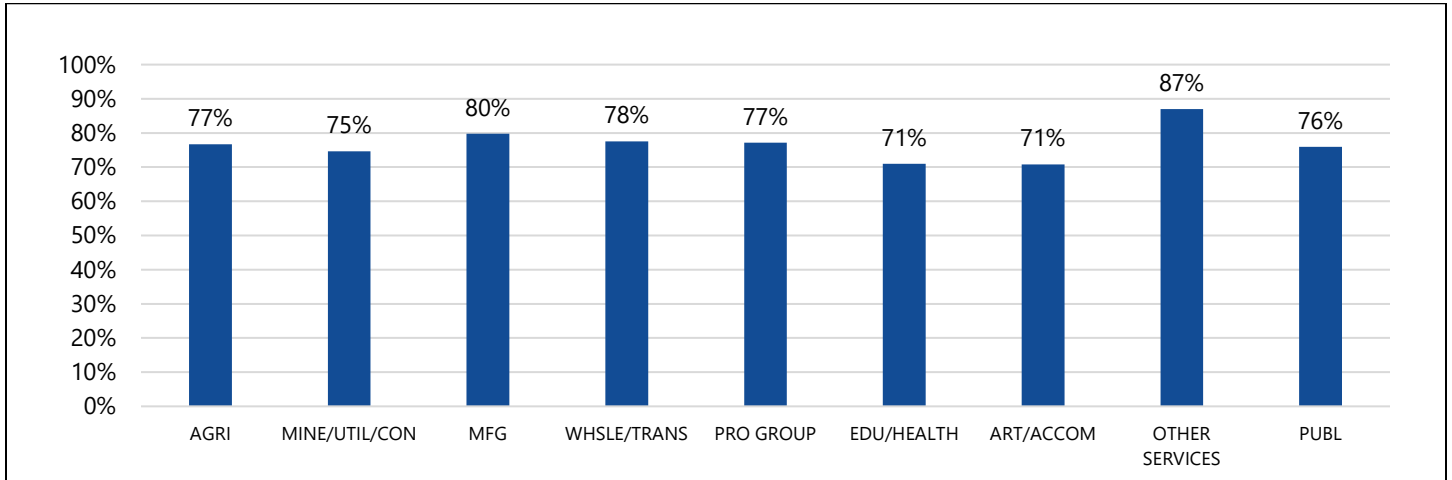


Source: Workers' Compensation Research and Evaluation Group, 2025.

## IRR by industry

The average IRR for all industries was 77% from 2015 to 2019, with most of the industry groups being within three percentage points of the average (Figure 18). The lowest IRR came from “Education/Health” and “Art/Accommodations” industries at 71%.

Figure 18: IRR by industry

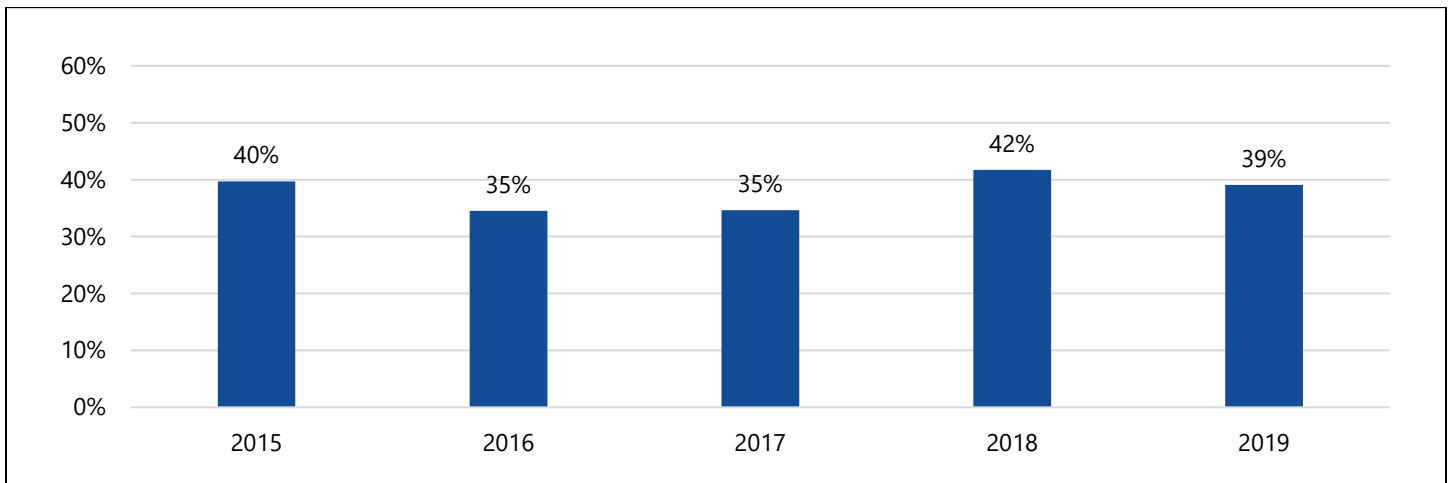


Source: Workers’ Compensation Research and Evaluation Group, 2025.

## Percent of recipients with benefits limited to the maximum amount

The overall average percentage of injured employees receiving the maximum benefit amount was 38% (Figure 19). The percentage of recipients limited to the maximum benefit level reached its highest in 2018 at 42% and its lowest in 2016 and 2017 at 35%.

Figure 19: Percent of recipients limited to the maximum benefit level

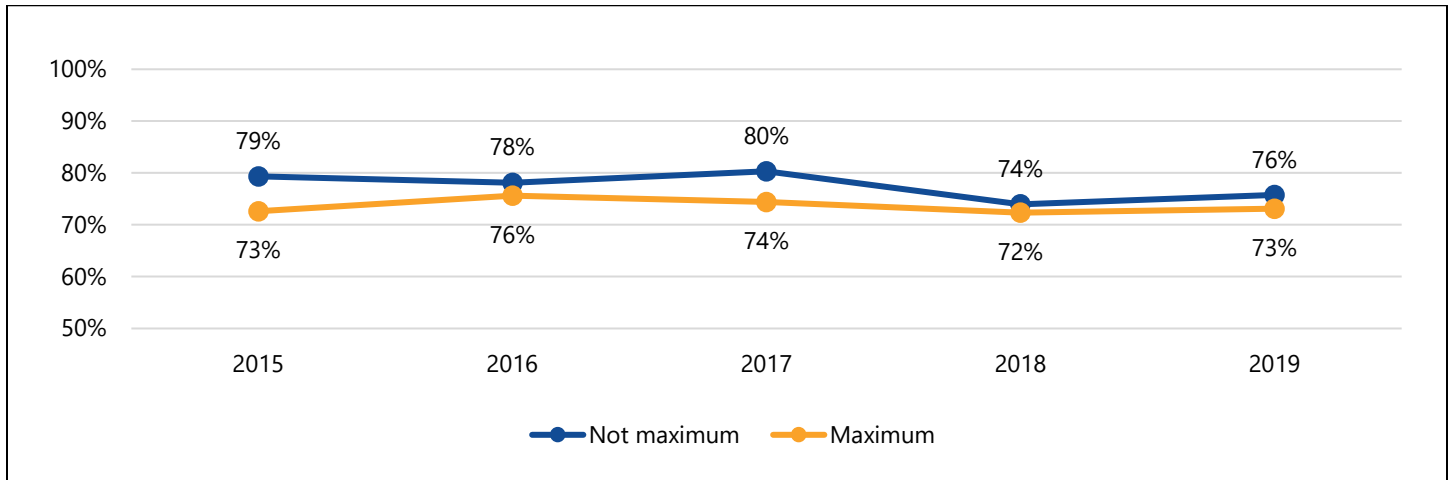


Source: Workers’ Compensation Research and Evaluation Group, 2025.

## IRR of injured employees with maximum amount

The average SIBs IRR was 74% for injured employees at the maximum benefit level and 77% for those not at the maximum level of benefits (Figure 20). The percentage of injured employees without maxed wages was 79% in injury year 2015, before dropping to 74% in 2018 and increasing to 76% by 2019.

**Figure 20: IRR by maximum benefit status**



Source: Workers' Compensation Research and Evaluation Group, 2025.

## Lifetime income benefits

**Eligibility:** Amended by HB 2468 in 2023, an injured employee becomes eligible for LIBs when the employee incurs one of the following injuries:

- Total and permanent loss of sight in both eyes.
- Loss of both feet at or above the ankle.
- Loss of both hands at or above the wrist.
- Loss of one foot at or above the ankle, and loss of one hand, at or above the wrist.
- An injury to the spine that causes permanent and complete paralysis of both arms, both legs, or one arm and one leg.
- A physically traumatic injury to the brain resulting in a major permanent neurocognitive disorder that requires supervision in activities of routine self-care and causes the person to be permanently unemployable.
- Third degree burns that cover at least 40% of the body and require grafting.
- Third degree burns covering the majority of both hands, one hand, and one foot; or one hand, one foot, and the face.
- A serious bodily injury and you are a first responder.

**Benefit amount:** 75% of an injured employee’s AWW, with a 3% increase each year. The maximum benefit amount only applies to the first year an injured employee receives LIBs. The maximum benefit does not apply to the 3% annual increases.

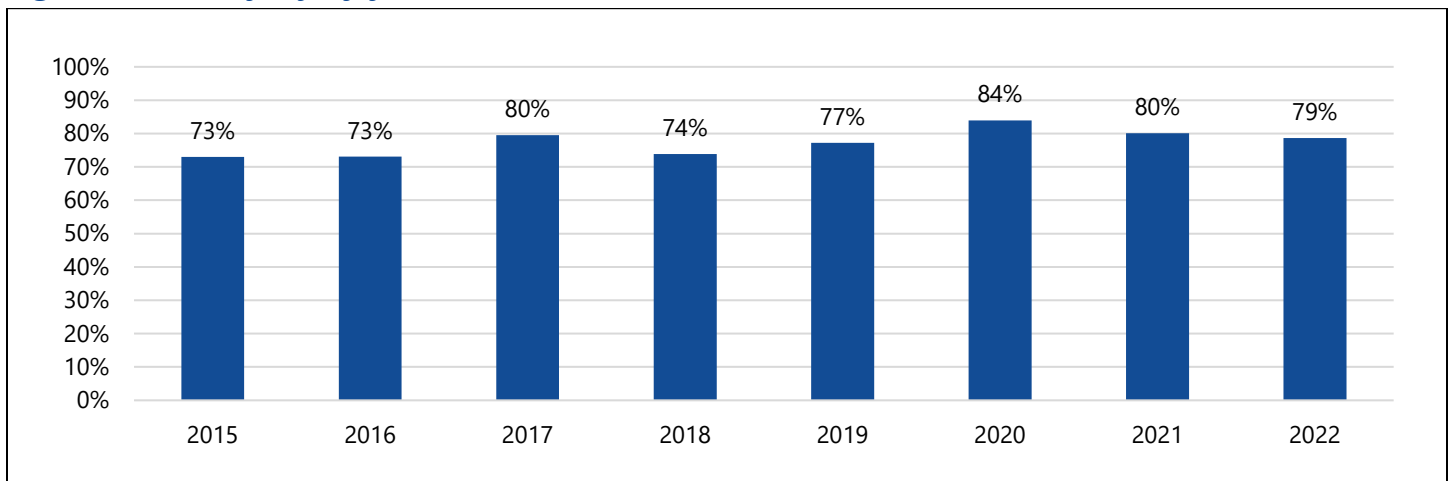
**Time limit:** An injured employee who believes they are eligible for LIBs may submit a written request to the insurance carrier, which in turn has 60 days to respond. LIBs payments must begin on or before the 15th day after the insurance carrier approves. Income benefits stop when the injured employee dies. However, if the injured employee’s death was due to the work-related injury or illness, the injured employee’s beneficiaries may be eligible to file a claim for death benefits.

## IRR by injury year

The IRR calculations for injured employees receiving LIBs are different from the calculations for the benefits discussed earlier. The maximum benefit amount only applies to the first year of an injured employee’s benefits, not including subsequent annual increases. Given the additional complexities and the relatively low number of recipients, this section is limited to overall IRR recipients. Taking into consideration the fact that the relatively small population size could produce unstable estimates, IRRs should be viewed with caution.

Between injury years 2015 to 2022, the LIBs IRR fluctuated between 73% and 84% (Figure 21). The overall average IRR was 77%.

**Figure 21: IRR by injury year**



Source: Workers’ Compensation Research and Evaluation Group, 2025.

## Death benefits (DBs)

**Eligibility:** An injured employee’s beneficiaries become eligible for DBs the day after an employee dies from a work-related injury. DBs may be available to replace a portion of family income that is lost due to the death of the employee.

Death benefits may be paid to:

- Surviving spouses.
- Minor children.
- Children enrolled in an accredited educational institution who are less than 25 years old.
- Dependent grandchildren.
- Other dependent family members.
- Non-dependent parents (only when there are no surviving eligible dependent family members).

**Benefit amount:** 75% of the deceased employees' AWW, subject to maximum and minimum benefit amounts.

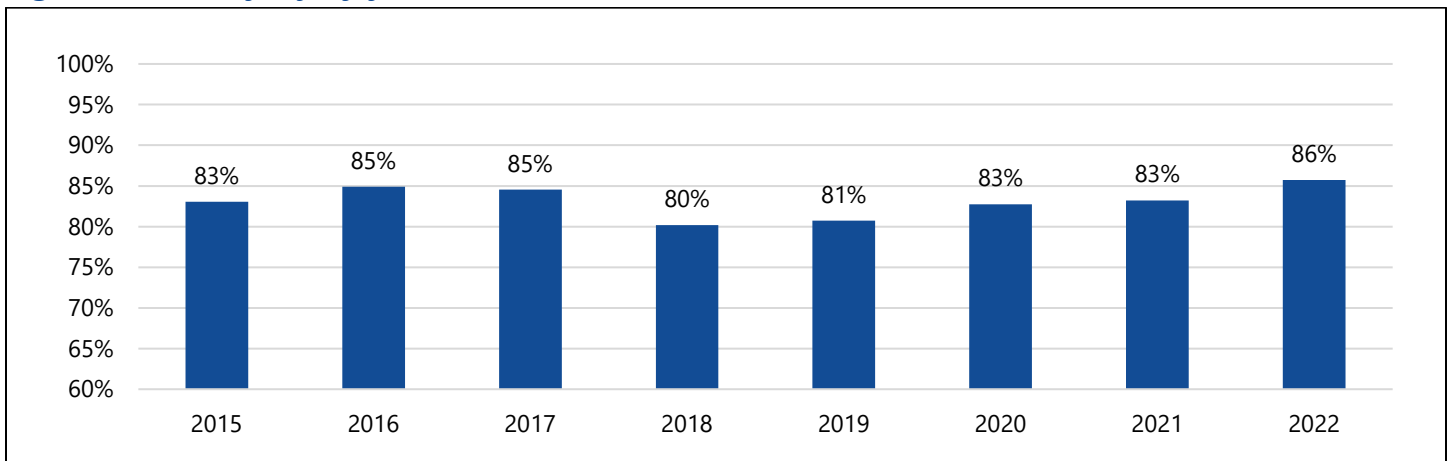
**Time limit:** A surviving spouse may receive death benefits for the remainder of their life unless the spouse remarries. In such cases, except when the deceased employee is a first responder, the surviving spouse who remarries will receive a lump sum payment of death benefits equal to two years (104 weeks) of the benefits. A surviving spouse of a first responder who remarries, remains eligible for death benefits for the remainder of their life. Dependent children, grandchildren, or other family members may also qualify for a distribution of benefits divided among the beneficiaries.

## IRR by injury year

The IRR calculations for beneficiaries are also different from the calculations for the first three benefit types discussed earlier. While the maximums and minimums apply, the relatively low number of DB claims make the average rates unstable when factoring in demographics such as age, industry, etc. Since the relatively small DBs population size could produce unstable estimates, IRRs should be viewed with caution.

The average DBs IRR from 2015 to 2022 was 83% (Figure 22). The DBs IRR increased from 83% to 85% from 2015 to 2017, then decreased to 80% by 2018, possibly due to changes in tax regulations, before increasing to 86% in 2022.

**Figure 22: IRR by injury year**



Source: Workers' Compensation Research and Evaluation Group, 2025.

## Concluding remarks

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This report examines the overall trends between workers' compensation income benefits and lost wages due to workplace injuries. The maximum benefit amount for all benefit types increased consistently from 2015 to 2022 (Figure 3). Benefit durations for TIBs and IIBs saw a decrease throughout the study period (Table 3). Changes in tax regulations in 2018 affected all benefit types except SIBs, resulting in decreasing IRRs due to increasing after-tax earnings. However, by 2022 these benefit types exceeded pre-2018 levels, apart from TIBs.



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