

AMENDED IN ASSEMBLY APRIL 20, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1576

Introduced by Assembly Member Ortega

January 12, 2026

An act to amend Sections 4751, 4753.5, 4754, and 4755 of, and to add Sections *Section 4754.1* and *4754.2* to, the Labor Code, relating to workers' compensation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1576, as amended, Ortega. Workers' compensation: Subsequent injuries payments.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law provides certain methods for determining workers' compensation benefits payable to a worker or the worker's dependents for purposes of permanent total disability or permanent partial disability that include a determination of the percentage of permanent disability incurred. Existing law requires that, for injuries incurred before January 1, 2013, in determining the percentages of permanent disability, account be taken of the nature of the physical injury or disfigurement, the occupation of the injured employee, and the injured employee's age at the time of the injury, and requires that specified factors be considered in determining an employee's diminished earning capacity for these purposes. For purposes of these provisions, "nature of the physical injury or disfigurement" incorporates the descriptions and measurements of physical impairment and the corresponding percentages of impairments published in the

American Medical Association (AMA) Guides to the Evaluation of Permanent Impairment (5th Edition). For injuries occurring on or after January 1, 2013, in determining the percentages of permanent disability, existing law requires the same factors be taken into account but removes from consideration the employee's diminished future earning capacity and, instead, incorporates an adjustment factor of 1.4, as specified.

Existing law also establishes the Subsequent Injuries Benefits Trust Fund, a continuously appropriated fund. Under existing law, if a permanently, partially disabled employee receives a subsequent compensable injury resulting in additional permanent disability, then that employee receives compensation from the Subsequent Injuries Benefits Trust Fund. Existing law requires, when applicable, the additional permanent disability resulting from the subsequent injury to be equal to 35% or more of total, when considered alone and without regard to, or adjustment for, the occupation or the age of the employee.

For purposes of determining permanent disability resulting from a subsequent injury, this bill would measure permanent disability, for injuries occurring on or after January 1, 2005, and prior to January 1, 2013, by the whole person impairment rating as determined in accordance with the AMA Guides to the Evaluation of Permanent Impairment (5th Edition), after adjustment for diminished future earning capacity and without regard to, or adjustment for, the occupation or age of the employee. For injuries occurring on or after January 1, 2013, the bill would measure permanent disability in the same manner as an injury occurring on or after January 1, 2005, and prior to January 1, 2013, except that an adjustment for diminished future earning capacity is replaced by the 1.4 adjustment factor. The bill would state that these provisions are declarative of existing law. To the extent the bill changes the eligibility requirements for and calculation for payments made from the Subsequent Injuries Benefits Trust Fund, the bill would make an appropriation.

This bill would, for compensable subsequent injuries occurring on or after January 1, 2027, require, for purposes of determining eligibility for and the amount of an award of special additional compensation, the existence of the prior permanent partial disability at the time of the subsequent compensable injury to be determined by substantial evidence, based on medical records, testimony, or other evidence, that the prior permanent partial disability predated the subsequent compensable injury and that the prior permanent partial disability resulted in loss of earnings, interfered with work activities, or otherwise impacted the ability of the

employee to perform work activities or activities of daily living. ~~For these compensable subsequent injuries occurring on or after January 1, 2027, the bill would require an employee to file an application for special additional compensation pursuant to these provisions within 5 years from the date of the subsequent compensable injury or one year from the date that the level of permanent disability arising from the subsequent compensable injury is determined by the Workers' Compensation Appeals Board (WCAB), whichever occurs later. The bill would require the administrative director to create and maintain a database of qualified medical evaluators to perform evaluations for claims filed for a subsequent compensable injury. The bill would make conforming changes.~~

Existing law requires the WCAB to fix and award the amounts of special additional compensation to be paid and to direct the State Compensation Insurance Fund (SCIF) to pay the additional compensation awarded. Existing law authorizes the additional compensation to be paid only from funds appropriated for these purposes. Existing law authorizes SCIF to reimburse itself for specified costs from this appropriation.

This bill would replace SCIF with the Director of Industrial Relations, as trustee of the Subsequent Injuries Benefits Trust Fund, as the entity to pay the additional compensation awarded by the WCAB. The bill would delete SCIF's authorization to reimburse itself for specified costs.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4751 of the Labor Code is amended to
 2 read:
 3 4751. (a) If an employee who is permanently partially disabled
 4 receives a subsequent compensable injury resulting in additional
 5 permanent partial disability so that the degree of disability caused
 6 by the combination of both disabilities is greater than that which
 7 would have resulted from the subsequent injury alone, and the
 8 combined effect of the last injury and the previous disability or
 9 impairment is a permanent disability equal to 70 percent or more
 10 of total, the employee shall be paid in addition to the compensation
 11 due under this code for the permanent partial disability caused by
 12 the last injury compensation for the remainder of the combined

1 permanent disability existing after the last injury as provided in
2 this article; provided, that either of the following is satisfied:

3 (1) The previous disability or impairment affected a hand, an
4 arm, a foot, a leg, or an eye, and the permanent disability resulting
5 from the subsequent injury affects the opposite and corresponding
6 member, that latter permanent disability, when considered alone
7 and without regard to, or adjustment for, the occupation or age of
8 the employee, is equal to 5 percent or more of total.

9 (2) The permanent disability resulting from the subsequent
10 injury, when considered alone and without regard ~~to~~ *to*, or
11 adjustment ~~for~~ *for*, the occupation or the age of the employee, is
12 equal to 35 percent or more of total.

13 (b) For purposes of paragraphs (1) and (2) of subdivision (a),
14 the term “permanent disability” in relation to subsequent
15 compensable injuries occurring on or after January 1, 2005, and
16 prior to January 1, 2013, shall be measured by the whole person
17 impairment rating, also referred to as the impairment standard, as
18 determined in accordance with the American Medical Association
19 Guides to the Evaluation of Permanent Impairment, 5th Edition,
20 after adjustment for diminished future earning capacity and without
21 regard to, or adjustment for, the occupation or age of the employee.

22 (c) For purposes of paragraphs (1) and (2) of subdivision (a),
23 the term “permanent disability” in relation to subsequent
24 compensable injuries occurring on or after January 1, 2013, shall
25 be measured by the whole person impairment rating, also referred
26 to as the impairment standard, as determined in accordance with
27 the American Medical Association Guides to the Evaluation of
28 Permanent Impairment, 5th ~~edition~~, *Edition*, after multiplication
29 by the adjustment factor referred to in subdivision (b) of Section
30 4660.1 and without regard to, or adjustment for, the occupation or
31 age of the employee.

32 (d) Subdivisions (b) and (c) are declarative of existing law.

33 SEC. 2. Section 4753.5 of the Labor Code is amended to read:

34 4753.5. In any hearing, investigation, or proceeding, the state
35 shall be represented by the Attorney General, or the attorneys of
36 the Department of Industrial Relations, as appointed by the Director
37 of Industrial Relations. Expenses incident to representation,
38 including costs for investigation, medical examinations, other
39 expert reports, fees for witnesses, and other necessary and proper
40 expenses, but excluding the salary of any of the Attorney General’s

1 deputies, shall be reimbursed from the Workers' Compensation
2 Administration Revolving Fund. No witness fees or fees for
3 medical or medical-legal services shall exceed those fees for the
4 same services prescribed by the appeals board or the administrative
5 director by rule or regulation. Reimbursement pursuant to this
6 section shall be in addition to, and in augmentation of, any other
7 appropriations made or funds available for the use or support of
8 the legal representation.

9 SEC. 3. Section 4754 of the Labor Code is amended to read:

10 4754. The appeals board shall fix and award the amounts of
11 special additional compensation to be paid under this article, and
12 shall direct the Director of Industrial Relations, as trustee of the
13 Subsequent Injuries Benefits Trust Fund, to pay the additional
14 compensation so awarded.

15 SEC. 4. Section 4754.1 is added to the Labor Code, to read:

16 4754.1. (a) This section shall apply to compensable subsequent
17 injuries occurring on or after January 1, 2027.

18 (b) For purposes of determining eligibility for, and the amount
19 of an award of, special additional compensation to be paid under
20 this article, the existence of a prior permanent partial disability
21 that existed at the time of the subsequent compensable injury shall
22 be determined by substantial evidence, based on medical records,
23 testimony, or other evidence, that the prior permanent partial
24 disability predated the subsequent compensable injury and that the
25 prior permanent partial disability resulted in loss of earnings,
26 interfered with work activities of the employee, or otherwise
27 impacted the ability of the employee to perform work activities or
28 activities of daily living.

29 ~~(c) For purposes of determining the existence of a prior~~
30 ~~permanent partial disability that existed at the time of the~~
31 ~~subsequent compensable injury pursuant to subdivision (b), the~~
32 ~~following conditions shall not be considered as preexisting labor~~
33 ~~disabling disabilities for determining eligibility for benefits~~
34 ~~pursuant to this article:~~

- 35 ~~(1) Acid reflux, including gastroesophageal reflux disease.~~
- 36 ~~(2) Allergies.~~
- 37 ~~(3) Arthritis.~~
- 38 ~~(4) Asthma.~~
- 39 ~~(5) Diabetes.~~
- 40 ~~(6) Headaches.~~

1 ~~(7) Hypertension.~~

2 ~~(8)~~

3 ~~Sexual dysfunction.~~

4 ~~(9)~~

5 ~~Sleep apnea.~~

6 ~~(d)~~

7 (c) Medical-legal evidence in a proceeding filed for
8 compensation pursuant to this article may only be obtained in the
9 manner set forth in Article 2 (commencing with Section 4060) of
10 Chapter 7 of Part 1 of this ~~Division~~: *division*.

11 ~~(e)~~

12 (d) The administrative director shall create and maintain a
13 database of qualified medical evaluator physicians who have the
14 necessary training and expertise to perform evaluations for claims
15 filed pursuant to Section 4751. This database shall be used by the
16 medical director to fulfill requests for a panel of qualified medical
17 evaluators filed pursuant to subdivision ~~(d)~~: (c).

18 ~~(f)~~

19 (e) The Director of Industrial Relations shall have authority to
20 issue regulations as necessary for the implementation and orderly
21 and effective administration of this article.

22 SEC. 5. Section 4754.2 is added to the Labor Code, to read:

23 4754.2. ~~For all subsequent compensable injuries occurring on~~
24 ~~or after January 1, 2027, the limitations period within which an~~
25 ~~employee may file an application for special additional~~
26 ~~compensation pursuant to this article shall be five years from the~~
27 ~~date of the subsequent compensable injury, or one year from the~~
28 ~~date that the level of permanent disability arising from the~~
29 ~~subsequent compensable injury is determined by the appeals board,~~
30 ~~whichever occurs later.~~

31 SEC. 6.

32 SEC. 5. Section 4755 of the Labor Code is amended to read:

33 4755. (a) The Director of Industrial Relations, as trustee of
34 the Subsequent Injuries Benefits Trust Fund, may draw from the
35 State Treasury out of the Subsequent Injuries Benefits Trust Fund
36 for the purposes specified in Section 4751, without at the time
37 presenting vouchers and itemized statements, a sum not to exceed
38 in the aggregate fifty thousand dollars (\$50,000), to be used as a
39 cash revolving fund. The revolving fund shall be deposited in any
40 banks and under any conditions as the Department of Finance

1 determines. The Controller shall draw their warrants in favor of
2 the Director of Industrial Relations, as trustee of the Subsequent
3 Injuries Benefits Trust Fund, for the amounts so withdrawn and
4 the Treasurer shall pay these warrants.

5 (b) Expenditures made from the revolving fund in payments on
6 claims for any additional compensation and for adjusting services
7 are exempted from the operation of Section 16003 of the
8 Government Code. Reimbursement of the revolving fund for these
9 expenditures shall be made upon presentation to the Controller of
10 an abstract or statement of the expenditures. The abstract or
11 statement shall be in any form as the Controller requires.

12 (c) The director shall assign claims adjustment services and
13 legal representation services respecting matters concerning
14 subsequent injuries. The director or their representative may make
15 these service assignments within the department, or they may
16 contract for these services with the State Compensation Insurance
17 Fund, for a fee in addition to that authorized by Section 4754,
18 except insofar as these matters might conflict with the interests of
19 the State Compensation Insurance Fund. The administrative costs
20 associated with these services shall be reimbursed from the
21 Workers' Compensation Administration Revolving Fund, except
22 when a budget impasse requires advances as provided in
23 subdivision (d) of Section 62.5. To the extent permitted by state
24 law, the director may contract for audits or reports of services
25 under this section.