



BULLETIN

No. 22-10

June 9, 2022

The IRS issued a news release this morning announcing that the standard mileage rate for business miles will increase from 58.5 cents per mile to 62.5 cents per mile for travel on or after July 1, 2022.

The California workers' compensation medical mileage reimbursement rate is linked to the IRS rate, so workers' compensation claims administrators will need to increase the rate they pay injured workers for travel related to medical treatment or evaluation of injuries on or after July 1, 2022, regardless of the date of injury. They should, however, continue to pay the 58.5 cent per mile rate to reimburse medical travel that took place from January 1, 2022 through June 30, 2022.

The IRS bases its annual adjustments to the standard mileage rate on results of a study of fixed and variable costs of operating an automobile, which include gasoline and depreciation. Together, California Labor Code §4600 (e)(2), Government Code §19820 and California Department of Personnel Administration (DPA) regulations require claims administrators to reimburse mileage at the rate adopted by the DPA Director for non-represented (excluded) state employees, which is tied to the IRS published mileage rate.

Except for 2012, the IRS has adjusted the mileage rate at the start of every year over the past decade – primarily due to fluctuations in gasoline prices. The IRS also made mid-year adjustments to the mileage rate in 2008 and 2011 when the cost of gasoline spiked and with the average price of gasoline nationwide now approaching \$6 per gallon, that was again the rationale for this year's mid-year increase. In the June 9 press release announcing the change, IRS Commissioner Chuck Rettig noted that the IRS is adjusting the standard mileage rates to better reflect the recent increase in fuel prices, stating, "We are aware a number of unusual factors have come into play involving fuel costs, and we are taking this special step to help taxpayers, businesses and others who use this rate." A copy of the press release is posted [here](#).

CWCI has alerted the DWC to the pending change in the mileage rate, and the Division is expected to issue a Newslines on the new rate once it receives confirmation from the DPA. DWC Newslines can be found at (www.dir.ca.gov/dwc/dwc_newsline.html).

Because rates vary based on the date of travel, the DWC also prepares and posts downloadable mileage-expense forms in English and Spanish on its website, so new forms for reimbursement of travel between July 1 and December 31, 2022 will be posted under "Medical Forms" on the Forms page of the Division's website (click [here](#)). In the meantime, claims organizations may wish to alert their programmers and staff as soon as possible that the rate will be increasing to 62.5 cents per mile for travel on or after July 1, 2022.

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