



BULLETIN

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This morning the IRS announced an increase in the standard mileage rate for business miles, which will affect the California workers' compensation mileage reimbursement rate for any travel related to medical treatment or evaluation of injuries beginning January 1, 2026.

In an email issued today, the IRS said that the standard mileage rate for business miles will increase from 70.0 cents per mile to 72.5 cents per mile for travel on or after January 1, 2026 -- an increase of 2.5 cents per mile over the rate the IRS announced last December for 2025 travel.

The California workers' compensation medical mileage reimbursement rate is tied 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 January 1, 2026, regardless of the date of injury. They should, however, continue to pay the 70.0 cent per mile rate to reimburse medical travel that took place in 2025.

The IRS bases its adjustments on results of a study of fixed and variable costs of operating an automobile, which include gasoline and depreciation. The IRS has adjusted the mileage rate at the start of every year over the past decade – primarily due to fluctuations in gasoline prices. Occasionally the IRS has also made mid-year adjustments to the mileage rate, as they did in 2022 after the cost of gasoline spiked in the first half of that year. Though gas prices in California and around the U.S. have declined in the second half of this year, those declines either took place after the latest increase was calculated or failed to offset the increases from earlier this year.

Under California Labor Code §4600 (e)(2), Government Code §19820, and California Department of Personnel Administration (DPA) regulations workers' compensation claims administrators must reimburse medical mileage at the rate adopted by the DPA Director for non-represented (excluded) state employees, which is tied to the IRS published mileage rate.

A copy of the IRS' announcement, emailed this morning, is expected to be posted soon in the agency's newsroom, [here](#). Likewise, the DWC is aware of the pending change in the mileage rate and is expected to issue a Newsline on the new rate shortly. 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 on or after January 1, 2026 will be posted under "Medical Forms" on the Forms page of the Division's website (click [here](#)). In the meantime, claims organizations should alert their programmers and staff immediately that the rate will be increasing to 72.5 cents per mile for travel on or after January 1, 2026.

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