

1 **HB 1242 - H AMDS 1047 LOST 2-14-94**

2 By Representative Lisk and others

3 On page 3, line 15, after "board" strike ", subject to the
4 requirements of RCW 51.32.240(3)"

5
6 On page 3, after line 16, insert the following:

7 "**Sec. 2.** RCW 51.16.140 and 1989 c 385 ú 3 are each amended
8 to read as follows:

9 (1) Every employer who is not a self-insurer shall deduct
10 from the pay of each of his or her workers:

11 (a) One-half of the amount ((he or she)) the employer is
12 required to pay, for medical benefits within each risk
13 classification. Such amount shall be periodically determined by
14 the director and reported by him or her to all employers under
15 this title: PROVIDED, That the state governmental unit shall pay
16 the entire amount into the medical aid fund for volunteers, as
17 defined in RCW 51.12.035, and the state apprenticeship council
18 shall pay the entire amount into the medical aid fund for
19 registered apprentices or trainees, for the purposes of RCW
20 51.12.130. The deduction under this section is not authorized
21 for premiums assessed under RCW 51.16.210; and

22 (b) Except as limited by subsection (3) of this section, a
23 surcharge of one-half of one percent of the premium deduction
24 made under (a) of this subsection.

25 (2) Except as limited by subsection (3) of this section, a
26 self-insured employer shall deduct from the pay of each of his or
27 her workers an amount equal to one-fourth of one percent of the
28 basic manual premium rate established by the department for the
29 applicable risk classification.

1 (3) The amount deducted under subsection (1)(b) of this
2 section shall be paid by the employer along with the employer
3 premiums required under this title. The amount deducted under
4 subsection (2) of this section shall be paid quarterly to the
5 department by the self-insured employer. The amounts remitted
6 shall be deposited into the benefit repayment fund. The
7 deduction may not be made under subsection (1)(b) or (2) of this
8 section in any calendar quarter if in the immediately preceding
9 calendar quarter the amount in the benefit payment fund is five
10 hundred thousand dollars or more.

11 ~~((+2))~~ (4) It shall be unlawful for the employer, unless
12 specifically authorized by this title, to deduct or obtain any
13 part of the premium or other costs required to be by him or her
14 paid from the wages or earnings of any of his or her workers, and
15 the making of or attempt to make any such deduction shall be a
16 gross misdemeanor.

17
18 NEW SECTION. Sec. 3. A new section is added to chapter
19 51.44 RCW to read as follows:

20 The benefit repayment fund is created in the custody of the
21 state treasurer. All receipts from the deductions required under
22 RCW 51.16.140(1)(b) and (2) shall be deposited into the fund.
23 Transfers from the benefit repayment fund to the medical aid fund
24 or the accident fund, or payments from the fund to self-insured
25 employers, as applicable, shall be made when benefits are paid
26 under RCW 51.52.060(5) and the department order granting benefits
27 is reversed or modified resulting in an overpayment of benefits
28 to the worker."

EFFECT: The amendment requires state fund employers to deduct a surcharge amount (0.05 percent of a worker's medical aid fund premium) from workers' wages to create a fund to repay benefits that are overpaid during an industrial insurance appeal. Self-insured employers will

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deduct 0.025 percent of the basic premium rate for the risk class from their workers' wages. If the fund reaches \$500,000, deductions from wages will cease in the next calendar quarter. Language is deleted that would have permitted overpaid benefits to be recouped from a worker.