

HOUSE BILL REPORT

SB 6311

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to adjusting permanent partial disability payments using the state average wage.

Brief Description: Adjusting permanent partial disability payments using the state average wage.

Sponsors: Senators Prentice and Pelz; by request of Department of Labor & Industries.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 23, 1994, DP.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 9 members: Representatives Heavey, Chair; G. Cole, Vice Chair; Lisk, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Conway; Horn; King; Springer and Veloria.

Staff: Chris Cordes (786-7117).

Background: An injured worker with a permanent partial disability (PPD) receives compensation for the disability according to a statutory schedule under the state industrial insurance law. The worker is paid the PPD award in a lump sum amount unless the award is larger than three times the state average monthly wage. If the award exceeds this limit, the worker receives a first monthly payment equal to three times the state average monthly wage and the remainder of the award is paid in monthly installments. The amount of the monthly installments is determined by the schedule of payments for temporary total disability and includes 8 percent interest on the unpaid balance.

Summary of Bill: An injured worker's permanent partial disability (PPD) award will be paid monthly in an amount that equals the state average monthly wage as computed most recently before the award was made, instead of in the amount calculated under the temporary total disability schedule. However, the PPD award monthly payment may not be less than the scheduled amount for temporary total disability compensation.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Department of Labor and Industries requested this bill to allow injured workers to receive their permanent partial disability awards in larger monthly amounts. Because the amount of the awards was increased last year by the Legislature, it will take longer to pay out the total award to the worker. Under the bill, workers will receive their total award more quickly and the interest costs to the department will be reduced.

Testimony Against: None.

Witnesses: Douglas Connell, Department of Labor and Industries.