

HOUSE BILL REPORT

EHB 1245

As of House Second Reading
February 17, 1993

Title: An act relating to workplace safety bonus programs.

Brief Description: Regulating workplace safety bonus programs.

Sponsors: Representatives Veloria, Heavey, King, Franklin and G. Cole.

Brief History:

Reported by House Committee on:
Commerce and Labor, January 29, 1993, DPA;
Second Reading, February 17, 1993.

HOUSE COMMITTEE ON COMMERCE AND LABOR

Majority Report: Do pass as amended. Signed by 5 members: Representatives Heavey, Chair; G. Cole, Vice Chair; King; Springer; and Veloria.

Minority Report: Do not pass. Signed by 3 members: Representatives Lisk, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; and Horn.

Staff: Chris Cordes (786-7117).

Background: The Department of Labor and Industries offers accident prevention and safety consultation services to employers. However, the department has no authority to regulate safety bonus programs that employers might implement as part of an accident reduction program.

Both workers and employers are required to report workplace accidents. When a worker is injured in a job-related accident, the worker is required to report the incident to the worker's employer or supervisor. The employer must report the accident to the department if the worker receives medical treatment or is hospitalized, is disabled from work, or dies as the apparent result of the accident.

Summary of Bill: Employers may not implement a program that rewards workers for safety performance, including bonuses that are contingent on the safety performance of another

worker, on maintaining an accident-free workplace, or on the reporting of no job-related injuries or accidents.

An employer is not prohibited from rewarding workers for reporting unsafe working conditions or industrial accidents.

A bonus is (1) cash or other award with a value exceeding \$50 in a calendar quarter or (2) favorable working conditions.

Fiscal Note: Not requested.

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

Testimony For: Everyone is in favor of creating safer workplaces. Employers are already required to have safety committees, but this requirement is rarely enforced. Safety bonus programs do not substitute for the benefits of a safety committee. If bonuses or other awards are substantial, they discourage workers from reporting injuries or accidents. Sometimes it is peer pressure from co-employees that results in failure to report an injury, especially if safety awards are linked to production or quality bonuses. To improve safety, the Legislature should focus on better enforcement of the safety committee requirement, fund more safety programs, and require safety training in the high school curriculum.

Testimony Against: Employers need to motivate employees to make safety a priority and increased compensation is one of the best methods. For the employer to have a successful performance or productivity program, it must include a focus on safety. Some employers share their refunds from the retrospective rating program with the employees and this might be prohibited. In some industries, the downturn in the economy provides employees some incentive to stay on industrial insurance. Although under-reporting of injuries is an old problem, the one-year period for filing a claim is a safeguard.

Witnesses: (In favor) Representative Veloria, prime sponsor; Jeff Johnson, Washington State Labor Council; Helen Reader, United Food and Commercial Workers; and Dennis Martin, Washington State Trial Lawyers Association. (Opposed) Bill Pickell, Washington Contract Loggers Association; Clif Finch, Association of Washington Business; and Larry Pursley, Washington Trucking Association.