H-1141.1	

HOUSE BILL 2072

State of Washington 56th Legislature 1999 Regular Session

By Representatives B. Chandler, McMorris and Koster

Read first time 02/15/1999. Referred to Committee on Commerce & Labor.

- 1 AN ACT Relating to adjusting worker benefits to account for
- 2 inflation; amending RCW 50.20.120, 50.24.010, 51.32.050, 51.32.060,
- 3 51.32.072, 51.32.075, 51.32.080, and 51.36.020; reenacting and amending
- 4 RCW 51.32.090; adding a new section to chapter 50.04 RCW; adding a new
- 5 section to chapter 51.08 RCW; and declaring an emergency.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 NEW SECTION. Sec. 1. A new section is added to chapter 50.04 RCW
- 8 to read as follows:
- 9 Unless the context requires otherwise, "inflation" means the
- 10 percentage change in the implicit price deflator for personal
- 11 consumption expenditures for the United States as published for the
- 12 most recent twelve-month period by the bureau of economic analysis of
- 13 the federal department of commerce in September of the year before a
- 14 June 30th determination.
- 15 **Sec. 2.** RCW 50.20.120 and 1993 c 483 s 12 are each amended to read
- 16 as follows:
- 17 (1) Subject to the other provisions of this title, benefits shall
- 18 be payable to any eligible individual during the individual's benefit

p. 1 HB 2072

- 1 year in a maximum amount equal to the lesser of thirty times the weekly
- 2 benefit amount (determined hereinafter) or one-third of the
- 3 individual's base year wages under this title: PROVIDED, That as to
- 4 any week beginning on and after March 31, 1981, which falls in an
- 5 extended benefit period as defined in RCW 50.22.010(1), as now or
- 6 hereafter amended, an individual's eligibility for maximum benefits in
- 7 excess of twenty-six times his or her weekly benefit amount will be
- 8 subject to the terms and conditions set forth in RCW 50.22.020, as now
- o subject to the terms and conditions set forth in RCW 50.22.020, as now
- 9 or hereafter amended.
- 10 (2)(a) An individual's weekly benefit amount shall be an amount
- 11 equal to one twenty-fifth of the average quarterly wages of the
- 12 individual's total wages during the two quarters of the individual's
- 13 base year in which such total wages were highest.
- 14 (b) The maximum and minimum amounts payable weekly shall be
- 15 determined as of each June 30th to apply to benefit years beginning in
- 16 the twelve-month period immediately following such June 30th((-)) as
- 17 <u>follows:</u>
- (i) Except as provided in (b)(ii) of this subsection, the maximum
- 19 amount payable weekly shall be seventy percent of the "average weekly
- 20 wage" for the calendar year preceding such June 30th. The minimum
- 21 amount payable weekly shall be fifteen percent of the "average weekly
- 22 wage" for the calendar year preceding such June 30th.
- 23 (ii) Beginning with claims filed in benefit years beginning after
- 24 June 30, 1999, the maximum and minimum amounts payable weekly shall be
- 25 the amounts determined by adjusting the maximum and minimum amounts
- 26 <u>applicable during the previous twelve-month period to account for</u>
- 27 <u>inflation</u>.
- 28 (c) If any weekly benefit, maximum benefit, or minimum benefit
- 29 amount computed herein is not a multiple of one dollar, it shall be
- 30 reduced to the next lower multiple of one dollar.
- 31 **Sec. 3.** RCW 50.24.010 and 1984 c 205 s 2 are each amended to read
- 32 as follows:
- (1)(a) Contributions shall accrue and become payable by each
- 34 employer (except employers as described in RCW 50.44.010 who have
- 35 properly elected to make payments in lieu of contributions and those
- 36 employers who are required to make payments in lieu of contributions)
- 37 for each calendar year in which the employer is subject to this title
- 38 at the rate established pursuant to chapter 50.29 RCW.

((In each)) (b)(i) Through rate year 1999, the amount of wages subject to tax for each individual shall be one hundred fifteen percent of the amount of wages subject to tax for the previous year rounded to the next lower one hundred dollars: PROVIDED, That the amount of wages subject to tax under this subsection (1)(b)(i) in any rate year shall not exceed eighty percent of the "average annual wage for contributions purposes" for the second preceding calendar year rounded to the next lower one hundred dollars((: PROVIDED FURTHER, That the amount subject to tax shall be twelve thousand dollars for rate year 1984 and ten thousand dollars for rate year 1985)).

1

2

3 4

5

6 7

8

9

10

26

27

28

2930

31

- (ii) Beginning with rate year 2000 and thereafter, the amount of wages subject to tax shall be the amount determined by adjusting the amount of wages subject to tax for the previous year to account for inflation, rounded to the next lower one hundred dollars.
- 15 (2) In making computations under this section and RCW 50.29.010, wages paid based on services for employers making payments in lieu of 16 17 contributions shall not be considered remuneration. Moneys paid from the fund, based on services performed for employers who make payments 18 19 in lieu of contributions, which have not been reimbursed to the fund as 20 of any June 30 shall be deemed an asset of the unemployment compensation fund, to the extent that such moneys exceed the amount of 21 payments in lieu of contributions which the commissioner has previously 22 determined to be uncollectible: PROVIDED, FURTHER, That the amount 23 24 attributable to employment with the state shall also include interest 25 as provided for in RCW 50.44.020.
 - (3)(a) Contributions shall become due and be paid by each employer to the treasurer for the unemployment compensation fund in accordance with such regulations as the commissioner may prescribe, and shall not be deducted, in whole or in part, from the remuneration of individuals in employment of the employer. Any deduction in violation of the provisions of this section shall be unlawful.
- 32 <u>(b)</u> In the payment of any contributions, a fractional part of a 33 cent shall be disregarded unless it amounts to one-half cent or more, 34 in which case it shall be increased to one cent.
- NEW SECTION. Sec. 4. A new section is added to chapter 51.08 RCW to read as follows:
- Unless the context requires otherwise, "inflation" means the secondary change in the implicit price deflator for personal

p. 3 HB 2072

- 1 consumption expenditures for the United States as published for the
- 2 most recent twelve-month period by the bureau of economic analysis of
- 3 the federal department of commerce in September of the year before a
- 4 June 30th determination.
- 5 **Sec. 5.** RCW 51.32.050 and 1995 c 199 s 6 are each amended to read 6 as follows:
- 7 (1)(a) For claims filed with respect to injuries that occurred
- 8 <u>before July 1, 1999, where death results from the injury, the expenses</u> 9 of burial not to exceed two hundred percent of the average monthly wage
- 10 in the state as defined in RCW 51.08.018 shall be paid.
- 11 (b) For claims filed with respect to injuries that occur on or
- 12 after July 1, 1999, where death results from the injury, the expenses
- 13 of burial shall be paid, not to exceed an amount determined by the
- 14 department on June 30, 1999, and each June 30th thereafter, and
- 15 applicable to claims filed with respect to injuries occurring in the
- 16 twelve-month period following the June 30th determination. The amount
- 17 <u>is determined by adjusting the amount applicable during the previous</u>
- 18 <u>twelve-month period to account for inflation</u>.
- 19 (2)(a) Where death results from the injury, a surviving spouse of
- 20 a deceased worker eligible for benefits under this title shall receive
- 21 monthly for life or until remarriage payments according to the
- 22 following schedule:
- 23 (i) If there are no children of the deceased worker, sixty percent
- 24 of the wages of the deceased worker but not less than one hundred
- 25 eighty-five dollars;
- 26 (ii) If there is one child of the deceased worker and in the legal
- 27 custody of such spouse, sixty-two percent of the wages of the deceased
- 28 worker but not less than two hundred twenty-two dollars;
- 29 (iii) If there are two children of the deceased worker and in the
- 30 legal custody of such spouse, sixty-four percent of the wages of the
- 31 deceased worker but not less than two hundred fifty-three dollars;
- 32 (iv) If there are three children of the deceased worker and in the
- 33 legal custody of such spouse, sixty-six percent of the wages of the
- 34 deceased worker but not less than two hundred seventy-six dollars;
- 35 (v) If there are four children of the deceased worker and in the
- 36 legal custody of such spouse, sixty-eight percent of the wages of the
- 37 deceased worker but not less than two hundred ninety-nine dollars; or

(vi) If there are five or more children of the deceased worker and in the legal custody of such spouse, seventy percent of the wages of the deceased worker but not less than three hundred twenty-two dollars.

1

2

4

5

6 7

8

9

10

11

12

13 14

15

16

17

18 19

20

21

22

2324

25

26

27

28 29

30

31

32

3334

35

- (b) Where the surviving spouse does not have legal custody of any child or children of the deceased worker or where after the death of the worker legal custody of such child or children passes from such surviving spouse to another, any payment on account of such child or children not in the legal custody of the surviving spouse shall be made to the person or persons having legal custody of such child or The amount of such payments shall be five percent of the monthly benefits payable as a result of the worker's death for each such child but such payments shall not exceed twenty-five percent. Such payments on account of such child or children shall be subtracted from the amount to which such surviving spouse would have been entitled had such surviving spouse had legal custody of all of the children and the surviving spouse shall receive the remainder after such payments on account of such child or children have been subtracted. Such payments on account of a child or children not in the legal custody of such surviving spouse shall be apportioned equally among such children.
- (c) Payments to the surviving spouse of the deceased worker shall cease at the end of the month in which remarriage occurs: That a monthly payment shall be made to the child or children of the deceased worker from the month following such remarriage in a sum equal to five percent of the wages of the deceased worker for one child and a sum equal to five percent for each additional child up to a maximum of five such children. Payments to such child or children shall be apportioned equally among such children. Such sum shall be in place of any payments theretofore made for the benefit of or on account of any such child or children. If the surviving spouse does not have legal custody of any child or children of the deceased worker, or if after the death of the worker, legal custody of such child or children passes from such surviving spouse to another, any payment on account of such child or children not in the legal custody of the surviving spouse shall be made to the person or persons having legal custody of such child or children.
- (d) ((In no event shall)) (i) For claims filed with respect to injuries that occurred before July 1, 1999, the monthly payments provided in subsection (2) of this section <u>may not</u> exceed the

p. 5 HB 2072

1 applicable percentage of the average monthly wage in the state as 2 computed under RCW 51.08.018 as follows:

3	AFTER	PERCENTAGE
4	June 30, 1993	105%
5	June 30, 1994	110%
б	June 30, 1995	115%
7	June 30, 1996	120%

- (ii) For claims filed with respect to injuries that occur on or after July 1, 1999, the monthly payments provided in this subsection may not exceed an amount determined by the department on June 30, 1999, and each June 30th thereafter, and applicable to claims filed with respect to injuries occurring in the twelve-month period following the June 30th determination. The amount is determined by adjusting the amount applicable during the previous twelve-month period to account for inflation.
- (e) In addition to the monthly payments provided for in subsection (2)(a) through (c) of this section, a surviving spouse or child or children of such worker if there is no surviving spouse, or dependent parent or parents, if there is no surviving spouse or child or children of any such deceased worker shall be forthwith paid a sum equal to one hundred percent of the average monthly wage in the state as defined in RCW 51.08.018, any such children, or parents to share and share alike in said sum.
- (f) Upon remarriage of a surviving spouse the monthly payments for the child or children shall continue as provided in this section, but the monthly payments to such surviving spouse shall cease at the end of the month during which remarriage occurs. However, after September 8, 1975, an otherwise eligible surviving spouse of a worker who died at any time prior to or after September 8, 1975, shall have an option of:
- any time prior to or after September 8, 1975, shall have an option of:

 (i) Receiving, once and for all, a lump sum of twenty-four times the monthly compensation rate in effect on the date of remarriage allocable to the spouse for himself or herself pursuant to subsection (2)(a)(i) of this section and subject to any modifications specified under subsection (2)(d) of this section and RCW 51.32.075(3) or fifty percent of the then remaining annuity value of his or her pension, whichever is the lesser: PROVIDED, That if the injury occurred prior to July 28, 1991, the remarriage benefit lump sum available shall be as provided in the remarriage benefit schedules then in effect; or

- (ii) If a surviving spouse does not choose the option specified in 1 2 subsection (2)(f)(i) of this section to accept the lump sum payment, the remarriage of the surviving spouse of a worker shall not bar him or 3 4 her from claiming the lump sum payment authorized in subsection (2)(f)(i) of this section during the life of the remarriage, or shall 5 not prevent subsequent monthly payments to him or to her if the 6 7 remarriage has been terminated by death or has been dissolved or 8 annulled by valid court decree provided he or she has not previously 9 accepted the lump sum payment.
 - (g) If the surviving spouse during the remarriage should die without having previously received the lump sum payment provided in subsection (2)(f)(i) of this section, his or her estate shall be entitled to receive the sum specified under subsection (2)(f)(i) of this section or fifty percent of the then remaining annuity value of his or her pension whichever is the lesser.

10

11

12

13

14 15

27

28 29

30

31

32

33 34

35

- 16 (h) The effective date of resumption of payments under subsection 17 (2)(f)(ii) of this section to a surviving spouse based upon termination of a remarriage by death, annulment, or dissolution shall be the date 18 19 of the death or the date the judicial decree of annulment or 20 dissolution becomes final and when application for the payments has been received. 21
- 22 (i) If it should be necessary to increase the reserves in the reserve fund or to create a new pension reserve fund as a result of the 23 24 amendments in chapter 45, Laws of 1975-'76 2nd ex. sess., the amount of 25 such increase in pension reserve in any such case shall be transferred 26 to the reserve fund from the supplemental pension fund.
 - (3) If there is a child or children and no surviving spouse of the deceased worker or the surviving spouse is not eligible for benefits under this title, a sum equal to thirty-five percent of the wages of the deceased worker shall be paid monthly for one child and a sum equivalent to fifteen percent of such wage shall be paid monthly for each additional child, the total of such sum to be divided among such children, share and share alike((: PROVIDED, That)), subject to the following:
- (a) For claims filed with respect to injuries that occurred before July 1, 1999, benefits under this subsection or subsection (4) of this 36 37 section shall not exceed the lesser of sixty-five percent of the wages of the deceased worker at the time of his or her death or the 38

p. 7 HB 2072 1 applicable percentage of the average monthly wage in the state as 2 defined in RCW 51.08.018, as follows:

3	AFTER	PERCENTAGE
4	June 30, 1993	105%
5	June 30, 1994	110%
б	June 30, 1995	115%
7	June 30, 1996	120%

- (b) For claims filed with respect to injuries that occur on or after July 1, 1999, benefits under this subsection or subsection (4) of this section may not exceed an amount determined by the department on June 30, 1999, and each June 30th thereafter, and applicable to claims filed with respect to injuries occurring in the twelve-month period following the June 30th determination. The amount is determined by adjusting the amount applicable during the previous twelve-month period to account for inflation.
- 16 (4) In the event a surviving spouse receiving monthly payments 17 dies, the child or children of the deceased worker shall receive the 18 same payment as provided in subsection (3) of this section.
- 19 (5)(a) If the worker leaves no surviving spouse or child, but 20 leaves a dependent or dependents, a monthly payment shall be made to 21 each dependent, as follows:
 - (i) For claims filed with respect to injuries that occurred before July 1, 1999, the monthly payment shall be equal to fifty percent of the average monthly support actually received by such dependent from the worker during the twelve months next preceding the occurrence of the injury, but the total payment to all dependents in any case shall not exceed the lesser of sixty-five percent of the wages of the deceased worker at the time of his or her death or the applicable percentage of the average monthly wage in the state as defined in RCW 51.08.018 as follows:

31	AFTER	PERCENTAGE
32	June 30, 1993	105%
33	June 30, 1994	110%
34	June 30, 1995	115%
35	June 30, 1996	120%

- (ii) For claims filed with respect to injuries that occur on or 1 after July 1, 1999, the monthly payments provided in this section may 2 3 not exceed an amount determined by the department on June 30, 1999, and 4 each June 30th thereafter, and applicable to claims filed with respect to injuries occurring in the twelve-month period following the June 5 30th determination. The amount is determined by adjusting the amount 6 7 applicable during the previous twelve-month period to account for 8 inflation.
- 9 (b) If any dependent is under the age of eighteen years at the time 10 of the occurrence of the injury, the payment to such dependent shall cease when such dependent reaches the age of eighteen years except such 11 payments shall continue until the dependent reaches age twenty-three 12 while permanently enrolled at a full time course in an accredited 13 The payment to any dependent shall cease if and when, under 14 the same circumstances, the necessity creating the dependency would 15 have ceased if the injury had not happened. 16
- (6) For claims filed prior to July 1, 1986, if the injured worker 17 dies during the period of permanent total disability, whatever the 18 19 cause of death, leaving a surviving spouse, or child, or children, the surviving spouse or child or children shall receive benefits as if 20 death resulted from the injury as provided in subsections (2) through 21 22 (4) of this section. Upon remarriage or death of such surviving spouse, the payments to such child or children shall be made as 23 24 provided in subsection (2) of this section when the surviving spouse of 25 a deceased worker remarries.
- 26 (7) For claims filed on or after July 1, 1986, every worker who 27 becomes eligible for permanent total disability benefits shall elect an 28 option as provided in RCW 51.32.067.
- 29 **Sec. 6.** RCW 51.32.060 and 1993 c 521 s 2 are each amended to read 30 as follows:
- 31 (1) When the supervisor of industrial insurance shall determine 32 that permanent total disability results from the injury, the worker 33 shall receive monthly during the period of such disability:
- 34 (a) If married at the time of injury, sixty-five percent of his or 35 her wages but not less than two hundred fifteen dollars per month.
- 36 (b) If married with one child at the time of injury, sixty-seven 37 percent of his or her wages but not less than two hundred fifty-two 38 dollars per month.

p. 9 HB 2072

- 1 (c) If married with two children at the time of injury, sixty-nine 2 percent of his or her wages but not less than two hundred eighty-three 3 dollars.
- 4 (d) If married with three children at the time of injury, 5 seventy-one percent of his or her wages but not less than three hundred 6 six dollars per month.
- 7 (e) If married with four children at the time of injury, 8 seventy-three percent of his or her wages but not less than three 9 hundred twenty-nine dollars per month.
- (f) If married with five or more children at the time of injury, seventy-five percent of his or her wages but not less than three hundred fifty-two dollars per month.
- 13 (g) If unmarried at the time of the injury, sixty percent of his or 14 her wages but not less than one hundred eighty-five dollars per month.
- 15 (h) If unmarried with one child at the time of injury, sixty-two 16 percent of his or her wages but not less than two hundred twenty-two 17 dollars per month.
- 18 (i) If unmarried with two children at the time of injury, 19 sixty-four percent of his or her wages but not less than two hundred 20 fifty-three dollars per month.
- (j) If unmarried with three children at the time of injury, sixty-six percent of his or her wages but not less than two hundred seventy-six dollars per month.
- (k) If unmarried with four children at the time of injury, sixty-eight percent of his or her wages but not less than two hundred ninety-nine dollars per month.
- 27 (1) If unmarried with five or more children at the time of injury, 28 seventy percent of his or her wages but not less than three hundred 29 twenty-two dollars per month.
- 30 (2) For any period of time where both husband and wife are entitled 31 to compensation as temporarily or totally disabled workers, only that 32 spouse having the higher wages of the two shall be entitled to claim 33 their child or children for compensation purposes.
- 34 (3) In case of permanent total disability, if the character of the 35 injury is such as to render the worker so physically helpless as to 36 require the hiring of the services of an attendant, the department 37 shall make monthly payments to such attendant for such services as long 38 as such requirement continues, but such payments shall not obtain or be

- operative while the worker is receiving care under or pursuant to the provisions of chapter 51.36 RCW and RCW 51.04.105.
- 3 (4) Should any further accident result in the permanent total 4 disability of an injured worker, he or she shall receive the pension to 5 which he or she would be entitled, notwithstanding the payment of a 6 lump sum for his or her prior injury.
- 7 (5) ((In no event shall)) (a)(i) For claims filed with respect to 8 injuries that occurred before July 1, 1999, the monthly payments 9 provided in this section may not exceed the applicable percentage of 10 the average monthly wage in the state as computed under the provisions 11 of RCW 51.08.018 as follows:

12	AFTER	PERCENTAGE
13	June 30, 1993	105%
14	June 30, 1994	110%
15	June 30, 1995	115%
16	June 30, 1996	120%

- (ii) For claims filed with respect to injuries that occur on or 17 after July 1, 1999, the monthly payments provided in this section may 18 19 not exceed an amount determined by the department on June 30, 1999, and 20 each June 30th thereafter, and applicable to claims filed with respect 21 to injuries occurring in the twelve-month period following the June 30th determination. The amount is determined by adjusting the amount 22 applicable during the previous twelve-month period to account for 23 inflation. 24
- 25 <u>(b)</u> The limitations under this subsection shall not apply to the 26 payments provided for in subsection (3) of this section.
- 27 (6) In the case of new or reopened claims, if the supervisor of 28 industrial insurance determines that, at the time of filing or 29 reopening, the worker is voluntarily retired and is no longer attached 30 to the work force, benefits shall not be paid under this section.
- 31 (7) The benefits provided by this section are subject to 32 modification under RCW 51.32.067.
- 33 **Sec. 7.** RCW 51.32.072 and 1987 c 185 s 34 are each amended to read 34 as follows:
- 35 <u>(1)(a)</u> Notwithstanding any other provision of law, every surviving 36 spouse and every permanently totally disabled worker or temporarily 37 totally disabled worker, if such worker was unmarried at the time of

p. 11 HB 2072

the worker's injury or was then married but the marriage was later terminated by judicial action, receiving a pension or compensation for temporary total disability under this title pursuant to compensation schedules in effect prior to July 1, 1971, shall after July 1, 1975, and until July 1, 1999, be paid fifty percent of the average monthly wage in the state as computed under RCW 51.08.018 per month and an amount equal to five percent of such average monthly wage per month to such totally disabled worker if married at the time of the worker's injury and the marriage was not later terminated by judicial action, and an additional two percent of such average monthly wage for each child of such totally disabled worker at the time of injury in the legal custody of such totally disabled worker or such surviving spouse up to a maximum of five such children. The monthly payments such surviving spouse or totally disabled worker are receiving pursuant to compensation schedules in effect prior to July 1, 1971 shall be deducted from the monthly payments above specified.

(b) Subject to subsection (2) of this section, where such a surviving spouse has remarried, or where any such child of such worker, whether living or deceased, is not in the legal custody of such worker or such surviving spouse there shall be paid for the benefit of and on account of each such child a sum equal to two percent of such average monthly wage up to a maximum of five such children in addition to any payments theretofore paid under compensation schedules in effect prior to July 1, 1971 for the benefit of and on account of each such child. In the case of any child or children of a deceased worker not leaving a surviving spouse or where the surviving spouse has later died, there shall be paid for the benefit of and on account of each such child a sum equal to two percent of such average monthly wage up to a maximum of five such children in addition to any payments theretofore paid under such schedules for the benefit of and on account of each such child.

(2) Beginning July 1, 1999, the monthly payments and the additional payments for the injured worker's spouse or children provided in this section may not exceed an amount determined by the department on June 30, 1999, and each June 30th thereafter, and applicable to payments made during the twelve-month period following the June 30th determination. The amount is determined by adjusting the amount applicable during the previous twelve-month period to account for inflation.

HB 2072 p. 12

(3) If the character of the injury or occupational disease is such 1 2 as to render the worker so physically helpless as to require the hiring of the services of an attendant, the department shall make monthly 3 4 payments to such attendant for such services as long as requirement continues but such payments shall not obtain or be 5 operative while the worker is receiving care under or pursuant to the 6 7 provisions of this title except for care granted at the discretion of 8 the supervisor pursuant to RCW 51.36.010: PROVIDED, That such payments 9 shall not be considered compensation nor shall they be subject to any 10 limitation upon total compensation payments.

11 No part of such additional payments shall be payable from the 12 accident fund.

13 <u>(4)</u> The director shall pay monthly from the supplemental pension 14 fund such an amount as will, when added to the compensation theretofore 15 paid under compensation schedules in effect prior to July 1, 1971, 16 equal the amounts hereinabove specified.

17 <u>(5)</u> In cases where money has been or shall be advanced to any such 18 person from the pension reserve, the additional amount to be paid under 19 this section shall be reduced by the amount of monthly pension which 20 was or is predicated upon such advanced portion of the pension reserve.

21 **Sec. 8.** RCW 51.32.075 and 1988 c 161 s 7 are each amended to read 22 as follows:

23

24

25

26

27

(1) Subject to subsection (2) of this section, the compensation or death benefits payable pursuant to the provisions of this chapter for temporary total disability, permanent total disability, or death arising out of injuries or occupational diseases shall be adjusted as follows:

 $((\frac{1}{1}))$ (a) On July 1, 1982, there shall be an adjustment for those 28 29 whose right to compensation was established on or after July 1, 1971, 30 and before July 1, 1982. The adjustment shall be determined by multiplying the amount of compensation to which they are entitled by a 31 32 fraction, the denominator of which shall be the average monthly wage in 33 the state under RCW 51.08.018 for the fiscal year in which such 34 person's right to compensation was established, and the numerator of which shall be the average monthly wage in the state under RCW 35 36 51.08.018 on July 1, 1982.

 $((\frac{(2)}{2}))$ (b) In addition to the adjustment established by ((subsection (1))) (a) of this ((section)) subsection, there shall be

p. 13 HB 2072

compensation was established on or after July 1, 1971, and before July 2 1983, which shall be determined by multiplying the amount of 3 compensation to which they are entitled by a fraction, the denominator 4 of which shall be the average monthly wage in the state under RCW 5 51.08.018 for the fiscal year in which such person's right to 6 7 compensation was established, and the numerator of which shall be the 8 average monthly wage in the state under RCW 51.08.018 on July 1, 1983. 9 (((3))) (c) In addition to the adjustments under ((subsections (1)))and (2))) (a) and (b) of this ((section)) subsection, further 10 adjustments shall be made beginning on July 1, 1984, and on each July 11 1st thereafter for those whose right to compensation was established on 12 or after July 1, 1971. The adjustment shall be determined by 13 14 multiplying the amount of compensation to which they are entitled by a 15 fraction, the denominator of which shall be the average monthly wage in the state under RCW 51.08.018 for the fiscal year in which such 16 person's right to compensation was established, and the numerator of 17 18 which shall be the average monthly wage in the state under RCW 19 51.08.018 on July 1st of the year in which the adjustment is being The department or self-insurer shall adjust the resulting 20 made. compensation rate to the nearest whole cent, not to exceed the average 21 monthly wage in the state as computed under RCW 51.08.018. 22

another adjustment on July 1, 1983, for those whose right to

1

(2) Beginning July 1, 1999, the annual adjustments provided for in this section shall be an amount determined by the department on June 30, 1999, and each June 30th thereafter, and applicable to payments made during the twelve-month period following the June 30th determination. The amount is determined by adjusting the amount applicable during the previous twelve-month period to account for inflation.

30 **Sec. 9.** RCW 51.32.080 and 1993 c 520 s 1 are each amended to read 31 as follows:

(1)(a) Until July 1, 1993, for the permanent partial disabilities here specifically described, the injured worker shall receive compensation as follows:

LOSS BY AMPUTATION

2	Of leg above the knee joint with short thigh stump (3"	
3	or less below the tuberosity of	
4	ischium)	
5	Of leg at or above knee joint with functional stump 48,6	00.00
6		00.00
7	Of leg at ankle (Syme)	00.00
8	Of foot at mid-metatarsals	00.00
9	Of great toe with resection of metatarsal bone 11,3	40.00
10	Of great toe at metatarsophalangeal joint 6,8	04.00
11	Of great toe at interphalangeal joint	00.00
12	Of lesser toe (2nd to 5th) with resection of	
13	metatarsal bone 4,1	40.00
14	Of lesser toe at metatarsophalangeal joint 2,0	16.00
15	Of lesser toe at proximal interphalangeal joint 1,4	94.00
16	Of lesser toe at distal interphalangeal joint	78.00
17	Of arm at or above the deltoid insertion or by	
18	disarticulation at the shoulder $54,0$	00.00
19	Of arm at any point from below the deltoid insertion	
20	to below the elbow joint at the	
21	insertion of the biceps tendon $\dots \dots 51,3$	00.00
22	Of arm at any point from below the elbow joint distal	
23	to the insertion of the biceps tendon	
24	to and including mid-metacarpal	
25	amputation of the hand $\dots \dots \dots$	00.00
26	Of all fingers except the thumb at metacarpophalangeal	
27	joints	60.00
28	Of thumb at metacarpophalangeal joint or with	
29	resection of carpometacarpal bone 19,4	40.00
30	Of thumb at interphalangeal joint	20.00
31	Of index finger at metacarpophalangeal joint or with	
32	resection of metacarpal bone 12,1	50.00
33	Of index finger at proximal interphalangeal joint 9,7	20.00
34	Of index finger at distal interphalangeal joint 5,3	46.00
35	Of middle finger at metacarpophalangeal joint or with	
36	resection of metacarpal bone 9,7	20.00
37	Of middle finger at proximal interphalangeal joint 7,7	76.00
38	Of middle finger at distal interphalangeal joint 4,3	74.00

p. 15 HB 2072

1	Of ring finger at metacarpophalangeal joint or with	
2	resection of metacarpal bone	4,860.00
3	Of ring finger at proximal interphalangeal joint	3,888.00
4	Of ring finger at distal interphalangeal joint	2,430.00
5	Of little finger at metacarpophalangeal joint or with	
6	resection of metacarpal bone	2,430.00
7	Of little finger at proximal interphalangeal joint	1,944.00
8	Of little finger at distal interphalangeal joint	972.00
9	MISCELLANEOUS	
10	Loss of one eye by enucleation	21,600.00
11	Loss of central visual acuity in one eye	18,000.00
12	Complete loss of hearing in both ears	43,200.00
13	Complete loss of hearing in one ear	7,200.00
14	(b) Beginning on July 1, 1993, compensation under this	subsection

- 15 shall be computed as follows:
- 16 (i) Beginning on July 1, 1993, the compensation amounts for the specified disabilities listed in (a) of this subsection shall be 17 18 increased by thirty-two percent; and
 - (ii) Beginning on July 1, 1994, and each July 1 thereafter, the compensation amounts for the specified disabilities listed in (a) of this subsection, as adjusted under (b)(i) of this subsection, shall be readjusted to ((reflect the percentage change in the consumer price index, calculated as follows: The index for the calendar year preceding the year in which the July calculation is made, to be known as "calendar year A," is divided by the index for the calendar year preceding calendar year A, and the resulting ratio is multiplied by the compensation amount in effect on June 30 immediately preceding the July 1st on which the respective calculation is made. For the purposes of this subsection, "index" means the same as the definition in RCW $\frac{2.12.037(1)}{2.12.037(1)}$) account for inflation.
- 31 (2) Compensation for amputation of a member or part thereof at a site other than those specified in subsection (1) of this section, and 32 33 for loss of central visual acuity and loss of hearing other than complete, shall be in proportion to that which such other amputation or 34 partial loss of visual acuity or hearing most closely resembles and 35 36 approximates. Compensation shall be calculated based on the adjusted 37 schedule of compensation in effect for the respective time period as prescribed in subsection (1) of this section. 38

HB 2072 p. 16

19

20

21

22

23

24 25

26

27

28

29 30

- (3)(a) Compensation for any other permanent partial disability not 1 2 involving amputation shall be in the proportion which the extent of 3 such other disability, called unspecified disability, shall bear to the 4 disabilities specified in subsection (1) of this section, which most 5 closely resembles and approximates in degree of disability such other disability, and compensation for any other unspecified permanent 6 7 partial disability shall be in an amount as measured and compared to 8 total bodily impairment. To reduce litigation and establish more 9 certainty and uniformity in the rating of unspecified permanent partial 10 disabilities, the department shall enact rules having the force of law classifying such disabilities in the proportion which the department 11 shall determine such disabilities reasonably bear to total bodily 12 In enacting such rules, the department shall give 13 impairment. consideration to, but need not necessarily adopt, any nationally 14 15 recognized medical standards or guides for determining various bodily 16 impairments.
- (b) Until July 1, 1993, for purposes of calculating monetary benefits under (a) of this subsection, the amount payable for total bodily impairment shall be deemed to be ninety thousand dollars. Beginning on July 1, 1993, for purposes of calculating monetary benefits under (a) of this subsection, the amount payable for total bodily impairment shall be adjusted as follows:
- (i) Beginning on July 1, 1993, the amount payable for total bodily impairment under this section shall be increased to one hundred eighteen thousand eight hundred dollars; and
- (ii) Beginning on July 1, 1994, and each July 1 thereafter, the amount payable for total bodily impairment prescribed in (b)(i) of this subsection shall be adjusted as provided in subsection (1)(b)(ii) of this section.
- (c) Until July 1, 1993, the total compensation for all unspecified permanent partial disabilities resulting from the same injury shall not exceed the sum of ninety thousand dollars. Beginning on July 1, 1993, total compensation for all unspecified permanent partial disabilities resulting from the same injury shall not exceed a sum calculated as follows:
- (i) Beginning on July 1, 1993, the sum shall be increased to one hundred eighteen thousand eight hundred dollars; and

p. 17 HB 2072

1 (ii) Beginning on July 1, 1994, and each July 1 thereafter, the sum 2 prescribed in (b)(i) of this subsection shall be adjusted as provided 3 in subsection (1)(b)(ii) of this section.

4

5

6 7

8

9

10

19

20

21

22

2324

25

2627

28 29

30

31

32

3334

35

3637

38

- (4) If permanent partial disability compensation is followed by permanent total disability compensation, any portion of the permanent partial disability compensation which exceeds the amount that would have been paid the injured worker if permanent total disability compensation had been paid in the first instance, shall be deducted from the pension reserve of such injured worker and his or her monthly compensation payments shall be reduced accordingly.
- (5) Should a worker receive an injury to a member or part of his or 11 her body already, from whatever cause, permanently partially disabled, 12 13 resulting in the amputation thereof or in an aggravation or increase in such permanent partial disability but not resulting in the permanent 14 15 total disability of such worker, his or her compensation for such partial disability shall be adjudged with regard to the previous 16 17 disability of the injured member or part and the degree or extent of the aggravation or increase of disability thereof. 18
 - (6) When the compensation provided for in subsections (1) through (3) of this section exceeds three times the average monthly wage in the state as computed under the provisions of RCW 51.08.018, payment shall be made in monthly payments in accordance with the schedule of temporary total disability payments set forth in RCW 51.32.090 until such compensation is paid to the injured worker in full, except that the first monthly payment shall be in an amount equal to three times the average monthly wage in the state as computed under the provisions of RCW 51.08.018, and interest shall be paid at the rate of eight percent on the unpaid balance of such compensation commencing with the However, upon application of the injured second monthly payment. worker or survivor the monthly payment may be converted, in whole or in part, into a lump sum payment, in which event the monthly payment shall cease in whole or in part. Such conversion may be made only upon written application of the injured worker or survivor to the department and shall rest in the discretion of the department depending upon the merits of each individual application. Upon the death of a worker all unpaid installments accrued shall be paid according to the payment schedule established prior to the death of the worker to the widow or widower, or if there is no widow or widower surviving, to the dependent

- 1 children of such claimant, and if there are no such dependent children,
- 2 then to such other dependents as defined by this title.
- 3 (7) Awards payable under this section are governed by the schedule 4 in effect on the date of injury.
- 5 **Sec. 10.** RCW 51.32.090 and 1993 c 521 s 3, 1993 c 299 s 1, and 6 1993 c 271 s 1 are each reenacted and amended to read as follows:
- 7 (1) When the total disability is only temporary, the schedule of 8 payments contained in RCW 51.32.060 (1) and (2) shall apply, so long as 9 the total disability continues.
- (2) Any compensation payable under this section for children not in the custody of the injured worker as of the date of injury shall be payable only to such person as actually is providing the support for such child or children pursuant to the order of a court of record providing for support of such child or children.
- (3)(a) As soon as recovery is so complete that the present earning power of the worker, at any kind of work, is restored to that existing at the time of the occurrence of the injury, the payments shall cease. If and so long as the present earning power is only partially restored, the payments shall:
- 20 (i) For claims for injuries that occurred before May 7, 1993, 21 continue in the proportion which the new earning power shall bear to 22 the old; or

23

24

25

26

27

28 29

30

31

32

- (ii) For claims for injuries occurring on or after May 7, 1993, equal eighty percent of the actual difference between the worker's present wages and earning power at the time of injury, but: (A) The total of these payments and the worker's present wages may not exceed one hundred fifty percent of the average monthly wage in the state as computed under RCW 51.08.018; (B) the payments may not exceed one hundred percent of the entitlement as computed under subsection (1) of this section; and (C) the payments may not be less than the worker would have received if (a)(i) of this subsection had been applicable to the worker's claim.
- 33 (b) No compensation shall be payable under this subsection (3) 34 unless the loss of earning power shall exceed five percent.
- (4)(a) Whenever the employer of injury requests that a worker who is entitled to temporary total disability under this chapter be certified by a physician as able to perform available work other than his or her usual work, the employer shall furnish to the physician,

p. 19 HB 2072

with a copy to the worker, a statement describing the work available with the employer of injury in terms that will enable the physician to 2 relate the physical activities of the job to the worker's disability. 3 4 The physician shall then determine whether the worker is physically able to perform the work described. The worker's temporary total 5 disability payments shall continue until the worker is released by his 6 7 or her physician for the work, and begins the work with the employer of 8 If the work thereafter comes to an end before the worker's 9 recovery is sufficient in the judgment of his or her physician to 10 permit him or her to return to his or her usual job, or to perform other available work offered by the employer of injury, the worker's 11 temporary total disability payments shall be resumed. Should the 12 13 available work described, once undertaken by the worker, impede his or her recovery to the extent that in the judgment of his or her physician 14 15 he or she should not continue to work, the worker's temporary total 16 disability payments shall be resumed when the worker ceases such work. 17

- (b) Once the worker returns to work under the terms of this subsection (4), he or she shall not be assigned by the employer to work other than the available work described without the worker's written consent, or without prior review and approval by the worker's physician.
- (c) If the worker returns to work under this subsection (4), any employee health and welfare benefits that the worker was receiving at the time of injury shall continue or be resumed at the level provided at the time of injury. Such benefits shall not be continued or resumed if to do so is inconsistent with the terms of the benefit program, or with the terms of the collective bargaining agreement currently in force.
- 29 (d) In the event of any dispute as to the worker's ability to 30 perform the available work offered by the employer, the department 31 shall make the final determination.
- 32 (5) No worker shall receive compensation for or during the day on 33 which injury was received or the three days following the same, unless 34 his or her disability shall continue for a period of fourteen 35 consecutive calendar days from date of injury: PROVIDED, That attempts 36 to return to work in the first fourteen days following the injury shall 37 not serve to break the continuity of the period of disability if the 38 disability continues fourteen days after the injury occurs.

HB 2072 p. 20

18 19

20

21

- 1 (6) Should a worker suffer a temporary total disability and should 2 his or her employer at the time of the injury continue to pay him or 3 her the wages which he or she was earning at the time of such injury, 4 such injured worker shall not receive any payment provided in 5 subsection (1) of this section during the period his or her employer 6 shall so pay such wages.
- 7 (7) ((In no event shall)) (a) For claims filed with respect to 8 injuries that occurred before July 1, 1999, the monthly payments 9 provided in this section may not exceed the applicable percentage of 10 the average monthly wage in the state as computed under the provisions 11 of RCW 51.08.018 as follows:

12	AFTER	PERCENTAGE
13	June 30, 1993	105%
14	June 30, 1994	110%
15	June 30, 1995	115%
16	June 30, 1996	120%

- (b) For claims filed with respect to injuries that occur on or 17 after July 1, 1999, the monthly payments provided in this section may 18 19 not exceed an amount determined by the department on June 30, 1999, and 20 each June 30th thereafter, and applicable to claims filed with respect 21 to injuries occurring in the twelve-month period following the June 30th determination. The amount is determined by adjusting the amount 22 applicable during the previous twelve-month period to account for 23 24 inflation.
- 25 (8) If the supervisor of industrial insurance determines that the 26 worker is voluntarily retired and is no longer attached to the work 27 force, benefits shall not be paid under this section.
- 28 **Sec. 11.** RCW 51.36.020 and 1982 c 63 s 12 are each amended to read 29 as follows:
- (1) When the injury to any worker is so serious as to require his or her being taken from the place of injury to a place of treatment, his or her employer shall, at the expense of the medical aid fund, or self-insurer, as the case may be, furnish transportation to the nearest place of proper treatment.
- 35 (2) Every worker whose injury results in the loss of one or more 36 limbs or eyes shall be provided with proper artificial substitutes and 37 every worker, who suffers an injury to an eye producing an error of

p. 21 HB 2072

- refraction, shall be once provided proper and properly equipped lenses to correct such error of refraction and his or her disability rating shall be based upon the loss of sight before correction.
- 4 (3) Every worker whose accident results in damage to or destruction 5 of an artificial limb, eye, or tooth, shall have same repaired or 6 replaced.
- 7 (4) Every worker whose hearing aid or eyeglasses or lenses are 8 damaged, destroyed, or lost as a result of an industrial accident shall 9 have the same restored or replaced. The department or self-insurer 10 shall be liable only for the cost of restoring damaged hearing aids or 11 eyeglasses to their condition at the time of the accident.
- 12 (5) All mechanical appliances necessary in the treatment of an 13 injured worker, such as braces, belts, casts, and crutches, shall be 14 provided and all mechanical appliances required as permanent equipment 15 after treatment has been completed shall continue to be provided or 16 replaced without regard to the date of injury or date treatment was 17 completed, notwithstanding any other provision of law.
- 18 (6) A worker, whose injury is of such short duration as to bring 19 him or her within the time limit provisions of RCW 51.32.090, shall 20 nevertheless receive during the omitted period medical, surgical, and 21 hospital care and service and transportation under the provisions of 22 this chapter.
 - (7) Whenever in the sole discretion of the supervisor it is reasonable and necessary to provide residence modifications necessary to meet the needs and requirements of the worker who has sustained catastrophic injury, the department or self-insurer may be ordered to pay an amount <u>determined as follows:</u>
- 28 (a) For claims filed with respect to injuries that occurred before
 29 July 1, 1999, the amount may not ((to)) exceed the state's average
 30 annual wage for one year as determined under RCW 50.04.355, as now
 31 existing or hereafter amended, toward the cost of such modifications or
 32 construction. ((Such))
- 33 (b) For claims filed with respect to injuries that occur on or
 34 after July 1, 1999, the amount may not exceed an amount determined by
 35 the department on June 30, 1999, and each June 30th thereafter, and
 36 applicable to claims filed with respect to injuries occurring in the
 37 twelve-month period following the June 30th determination. The amount
 38 is determined by adjusting the amount applicable during the previous
 39 twelve-month period to account for inflation. Payment shall ((only))

HB 2072 p. 22

2324

25

26

27

- 1 be made <u>under this subsection only</u> for the construction or modification
- 2 of a residence in which the injured worker resides. Only one residence
- 3 of any worker may be modified or constructed under this subsection,
- 4 although the supervisor may order more than one payment for any one
- 5 home, up to the maximum amount permitted by this section.
- 6 (8) Whenever in the sole discretion of the supervisor it is
- 7 reasonable and necessary to modify a motor vehicle owned by a worker
- 8 who has become an amputee or becomes paralyzed because of an industrial
- 9 injury, the supervisor may pay or order a self-insurer to pay as
- 10 <u>follows:</u>
- 11 (a) For claims filed with respect to injuries that occurred before
- 12 July 1, 1999, up to fifty percent of the state's average annual wage
- 13 for one year, as determined under RCW 50.04.355, ((as now existing or
- 14 hereafter amended, to be paid by the department or self-insurer))
- 15 toward the costs thereof.
- 16 (b) For claims filed with respect to injuries that occur on or
- 17 after July 1, 1999, up to an amount determined by the department on
- 18 June 30, 1999, and each June 30th thereafter, and applicable to claims
- 19 <u>filed with respect to injuries occurring in the twelve-month period</u>
- 20 following the June 30th determination. The amount is determined by
- 21 adjusting the amount applicable during the previous twelve-month period
- 22 to account for inflation.
- 23 (9) The benefits provided by subsections (7) and (8) of this
- 24 section are available to any otherwise eligible worker regardless of
- 25 the date of industrial injury.
- 26 <u>NEW SECTION.</u> **Sec. 12.** This act is necessary for the immediate
- 27 preservation of the public peace, health, or safety, or support of the
- 28 state government and its existing public institutions, and takes effect
- 29 immediately.

--- END ---

p. 23 HB 2072