

SENATE BILL REPORT

HB 3134

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 23, 2006

Title: An act relating to compensation for temporary or permanent total disability.

Brief Description: Determining the amount of compensation for temporary or permanent total disability.

Sponsors: Representatives Conway, Wood, Chase and Kenney.

Brief History: Passed House: 2/14/06, 96-0.

Committee Activity: Labor, Commerce, Research & Development: 2/20/06, 2/23/06 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Parlette, Ranking Minority Member; Honeyford and Keiser.

Staff: Jennifer Strus (786-7316)

Background: The federal Social Security Act contains provisions to coordinate benefits received under more than one disability program. Social Security disability benefits for persons under age 65 are reduced by the full amount of state or federal workers' compensation benefits also being paid to the individual. The federal provisions include a "reverse offset" that permits the disability benefit reduction to be taken by a state's workers' compensation program rather than by the federal program. Federal law provides a formula for computing this reverse offset.

State law also allows the Department of Labor and Industries (L&I) to reduce workers' compensation benefits for Social Security retirement benefits. Unlike the reverse offset for Social Security disability benefits, there is not a corresponding federal law for the retirement benefit reduction. Under state law, the procedures for the retirement benefit reduction must comply with the procedures for the offset for Social Security disability benefits, except for procedures that relate to computation.

Summary of Bill: For a worker whose entitlement to Social Security retirement benefits is immediately preceded by an entitlement to Social Security disability benefits, the reduction for Social Security retirement benefits must be computed consistent with the formula set forth in federal law for computing the reverse offset for Social Security disability benefits.

For all other workers, the reduction for Social Security retirement benefits must be calculated "to most closely follow the intent" of the state law that sets forth the reverse offset for Social Security disability payments.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: Until two court cases, L&I treated Social Security disability and Social Security retirement offsets the same. This bill will allow L&I to continue to treat the offsets the way they did before the court cases. Business is neutral because the bill is simply a technical change.

Testimony Against: None.

Who Testified: PRO: Michael Temple, Washington State Trial Lawyer's Association.