

SENATE BILL REPORT

SB 6041

As of February 28, 2005

Title: An act relating to industrial insurance, but only with respect to defining wages to include the cost of health insurance and modifying applications for a change of circumstances.

Brief Description: Defining wages for industrial insurance purposes.

Sponsors: Senators Kohl-Welles, Keiser and Kline.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/28/05.

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Staff: Jennifer Strus (786-7316)

Background: A worker who is injured in the course of employment is entitled to benefits under Washington's industrial insurance law. Benefits include compensation for time lost from work (time-loss benefits) and for medical care related to the injury or occupational disease.

Calculation of Wages. Benefits for lost wages are based on the worker's monthly wage at the time of the injury. If a worker's employment is seasonal in nature or essentially part-time or intermittent, the monthly wages are determined by dividing by 12 the total wages earned from all employment in any 12 successive calendar months preceding the injury.

The current statutory definition of wages includes tips, to the extent they are reported to the employer for federal income tax purposes, and the "reasonable value of board, housing, and fuel or other consideration of like nature."

Summary of Bill: Wages are defined as the gross remuneration paid in cash by the employer to the worker for services performed for a pay period, before any deductions. Wages also include tips to the extent they are reported for federal income tax purposes and the average monthly value of any bonus the worker receives in the 12 months immediately preceding the worker's injury.

Wages further include the cash value of board, housing, fuel, and other like items received from the employer. As long as the employer continues to provide these to the worker after the worker's injury, the worker's wages will not be calculated to include the items. Finally, wages include the employer's cost of providing medical, dental, and vision benefits to the worker. If the employer continues to provide the benefits to the worker after his or her injury, then wages must not include this cost.

Appropriation: None.

Fiscal Note: Requested on February 23, 2005.

Committee/Commission/Task Force Created: No.

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