

FINAL BILL REPORT

SHB 1244

C 297 L 07

Synopsis as Enacted

Brief Description: Defining wages for industrial insurance purposes.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Hankins, Clibborn, Wood, Hunt, Haler, Morrell, Kirby, Hasegawa, Moeller, Sells, Strow, McCoy, O'Brien, Ericks, Simpson, Green, Campbell, Williams, Kenney and Ormsby).

House Committee on Commerce & Labor

Senate Committee on Labor, Commerce, Research & Development

Background:

Workers injured in the course of employment may receive various benefits under the Industrial Insurance Act. Compensatory benefits (time-loss, pension, and survivor benefits) for injured workers or their surviving beneficiaries are based on the monthly wages that the worker was receiving from all employment at the time of injury. For most purposes, wages include:

- the reasonable value of board, housing, fuel, or other consideration of like nature received from the employer;
- health care benefits (except during the periods the employer continues to provide it), valued at the employer's cost, under a decision by the Washington Supreme Court in *Cockle v. Department of Labor and Industries*;
- tips reported for federal income tax purposes; and
- the average monthly value of bonuses received from the employer in the preceding 12 months.

Rules adopted by the Department of Labor and Industries (Department) on "consideration of like nature" (including health care benefits) specify that the value of such consideration is only included in wages if:

- the employer provided the benefit to the worker at the time of injury;
- the worker received the benefit at the time of injury; and
- the worker or beneficiary no longer receives the benefit and the Department or self-insurer has knowledge of this change.

With respect to the requirement that the worker no longer receive the benefit, the rules further specify that, if the worker continued to receive the benefit from a union trust fund or other entity for which the employer made a financial contribution at the time of injury, the employer's monthly payment for the benefit is not included in wages.

Summary:

As consideration of like nature to board, housing, and fuel, an employer's payment or contributions, or appropriate portions thereof, for health care benefits are also included in wages unless the employer continues ongoing and current payment or contributions for these benefits at the same level as provided at the time of injury.

This change applies to all wage determinations issued on or after the effective date of the act.

Votes on Final Passage:

House	64	32	
Senate	47	0	(Senate amended)
House	63	31	(House concurred)

Effective: July 22, 2007