
Commerce & Labor Committee

HB 1499

Brief Description: Increasing minimum industrial insurance benefits.

Sponsors: Representatives Green, Conway, Williams, Chase, Kenney, Wood, Moeller and Ormsby.

Brief Summary of Bill

- Increases the minimum industrial insurance benefit to 15 percent of the state average monthly wage plus an additional \$10 per month if a worker is married and an additional \$10 per month for each child of the worker up to a maximum of five children.

Hearing Date: 2/8/07

Staff: Sarah Beznoska (786-7109).

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.

Calculation of Benefit Amounts

Time-loss or pension benefits (for temporary or total permanent disability, respectively) are calculated as a percentage of the worker's monthly wages, subject to a maximum cap, as follows:

- the worker's monthly wage at injury is multiplied by a percentage ranging from 60 to 75 percent, depending on the worker's marital status and number of children;
- the minimum monthly benefit ranges from \$185 to \$352, depending on the worker's marital status and number of children; and
- the maximum benefit is 120 percent of the state average monthly wage.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Benefits, similar to pension benefits, are paid to the surviving spouse and children, or to other dependents if there is no surviving spouse or children. These benefits are calculated as follows:

- the worker's monthly wage at injury is multiplied by a percentage ranging from 60 to 70 percent, depending on the number of children;
- the minimum monthly benefit ranges from \$185 to \$322, depending on the number of children; and
- the maximum benefit is 120 percent of the state average monthly wage.

Monthly compensatory benefits that are being paid are revised annually for a cost-of-living adjustment based on changes in the state average monthly wage. The state average monthly wage is derived from the Employment Security Department's calculation of the state average annual wage.

The minimum industrial insurance benefit has not changed since at least 1969.

Summary of Bill:

The statutorily-set minimum monthly benefit amounts are deleted. For dates of injury or disease manifestation after June 30, 2007, the minimum monthly benefit is set at 15 percent of the state average monthly wage plus an additional \$10 per month if a worker is married and an additional \$10 per month for each child of the worker up to a maximum of five children.

Rules Authority: The bill does not address the rule making authority of an agency.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.