
Commerce & Labor Committee

ESB 5675

Brief Description: Increasing minimum industrial insurance benefits.

Sponsors: Senators Franklin, Kohl-Welles, Keiser, Murray and Kline.

Brief Summary of Engrossed 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.
- Provides that the worker's monthly payment under the new calculation must not exceed 100 percent of the monthly wages received at the time of injury as calculated under statute.

Hearing Date: 3/22/07

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

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- the maximum benefit is 120 percent of the state average monthly wage.

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 July 1, 2008, 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.

If the monthly benefit using this formula is greater than 100 percent of the worker's monthly wages received at the time of injury as calculated under statute, then the monthly payment due to the worker is the greater of:

- the worker's monthly wages; or
- the minimum benefit as of June 30, 2008.

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

Appropriation: None.

Fiscal Note: Requested on March 13, 2007.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.