
**Labor & Workforce Development
Committee**

HB 2002

Brief Description: Concerning industrial insurance employer wage subsidies and reimbursements for light duty or transitional work.

Sponsors: Representatives Sells, Ryu, Ormsby and Kenney.

Brief Summary of Bill

- Authorizes State Fund employers to receive a wage subsidy and reimbursements for employing an injured worker at light duty or transitional work.

Hearing Date: 3/4/11

Staff: Joan Elgee (786-7106).

Background:

Under the state's industrial insurance laws, employers must insure through the State Fund administered by the Department of Labor and Industries (Department) or, if qualified, may self-insure. Workers who, in the course of employment, are injured or disabled from an occupational disease are entitled to benefits. Depending on the disability, workers are entitled to various benefits, including time-loss, pension, and medical benefits.

An employer may request that a worker receiving time-loss benefits be certified by a physician or Advanced Registered Nurse Practitioner (ARNP) to be able to perform work other than the usual work. The physician or ARNP must decide whether the worker is physically able to perform the work. Time-loss payments continue until the physician or ARNP releases the worker for the work, and resume if the light duty work comes to an end before the worker can return to the worker's usual job or the available work impedes the worker's recovery.

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.

Summary of Bill:

Legislative findings are made that long-term disability and the cost of injuries is significantly reduced when injured workers remain at work. An employer may provide light duty or transitional work to a worker receiving time-loss benefits. The Department must obtain from the physician or ARNP a statement confirming the light duty or transitional work is consistent with the worker's medical restriction related to the injury. The statement must be obtained before the start of the light duty or transitional work.

A State Fund employer may receive a wage subsidy and other reimbursements under certain circumstances. To be eligible, an employer must submit a request for the subsidy or other reimbursement within one year of the date the work was performed. Wage subsidies and reimbursements are payable only if the physician or ARNP has restricted the worker from performing the worker's usual work and the physician or ARNP has released the worker to perform the work offered.

Wage subsidy.

The wage subsidy is 50 percent of basic, gross wages paid for the work for a maximum of 66 work days in a consecutive 24 month period, up to a maximum of \$10,000. Subsidies may be paid only for wages or salary, and not for tips, health care, other specified payments, or any other payments. No subsidy is payable for a day in which the worker does not actually perform any work.

Reimbursement.

An employer is also eligible for reimbursement for the following:

- *Training or instruction*-Tuition, books, fees, and materials, up to \$1,000.
- *Clothing*-Up to \$400. No reimbursement is available for any clothing that an employer normally provides to its workers. The clothing becomes the worker's property.
- *Tools or equipment*-Up to \$2,500. The reimbursement does not apply to any tools or equipment purchased before offering the work to the worker or for tools or equipment that the employer normally provides. The tools and equipment are the property of the employer.

Other.

Wage subsidies and reimbursements obtained through willful misrepresentation are subject to a penalty of the amount paid plus 50 percent. An employer's experience rating is not affected by wage subsidies. A dispute about the validity of the work offered or the worker's ability to perform is an appealable order. The reimbursements are paid out of a newly-created Stay-At-Work Account, which is funded by assessments of State Fund employers for the costs of the payments and a reserve. Employers may collect up to one-half the assessment from workers.

The act expires on July 1, 2016.

Appropriation: None.

Fiscal Note: Requested on March 2, 2011.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2011.