

FINAL BILL REPORT

ESB 5510

C 178 L 15
Synopsis as Enacted

Brief Description: Simplifying and adding certainty to the calculation of workers' compensation benefits by creating a working group to develop recommendations.

Sponsors: Senators Braun, Baumgartner, Rivers and Angel.

Senate Committee on Commerce & Labor
House Committee on Labor

Background: Under the state's industrial insurance laws, 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 medical, temporary time-loss, and vocational rehabilitation benefits, as well as benefits for permanent disabilities.

Time-loss benefits are wage replacement benefits for workers who cannot work because of their injury. The amount of time-loss benefits is a percentage of the worker's pre-injury wages, and adjusts depending on the marital status of the worker and the number of the worker's children.

The monthly wages the worker received from all employment at the time of injury are used to calculate time-loss benefits. The statutory definition of wages includes medical, dental, and vision benefits; the reasonable value of room and board, housing, heating fuel, or similar considerations received from the employer as part of the worker's income; bonuses received in the last 12 months from the employer of injury; and tips reported to the employer for federal income tax purposes. The monthly wage calculation for seasonal and part-time workers is determined using the total wages earned, including overtime, from all employment in a consecutive 12-month period preceding the injury, which fairly represents the employment pattern.

Workers who suffer certain types of injuries and workers whose injuries preclude any further gainful employment are entitled to permanent total disability pensions. Pension benefits are paid monthly, and are based on the amount of time-loss compensation to which the worker is entitled.

Summary: The Department of Labor and Industries (L&I) must convene a benefit accuracy working group, by August 1, 2015, to focus on improving the accuracy, simplicity, fairness, and consistency of calculating and providing wage replacement benefits. Workgroup

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members are appointed by the director of L&I, and are composed of two members representing labor, two members representing employers, and at least two members representing L&I. The working group must report to the relevant committees of the Legislature by February 1, 2016, and September 1, 2016.

Votes on Final Passage:

Senate	41	8	
House	97	0	(House amended)
Senate	46	1	(Senate concurred)

Effective: July 24, 2015