

FINAL BILL REPORT

SHB 1500

C 172 L 07

Synopsis as Enacted

Brief Description: Modifying provisions on permanent partial disability claims.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Williams, Chase, Kenney, Wood and Moeller).

House Committee on Commerce & Labor

Senate Committee on Labor, Commerce, Research & Development

Background:

A worker who, in the course of employment, is injured or suffers disability from occupational disease may be entitled to benefits under the Industrial Insurance Act (Act).

Permanent Partial Disability.

If permanent partial disability results from an injury, a worker may be entitled to compensation in accordance with a statutory schedule. Maximum permanent partial disability awards (PPD awards) are adjusted annually using the U.S. Consumer Price Index (CPI). A permanent partial disability is defined under the Act as the loss of either one foot, one leg, one hand, one arm, one eye, one or more fingers, one or more toes, any dislocation where ligaments were severed where repair is not complete, or any other injury known in surgery to be a permanent partial disability.

Permanent Total Disability.

If permanent total disability results from an injury, a worker may be entitled to pension benefits based on the monthly wages that the worker was receiving from all employment at the time of injury. A permanent total disability is defined under the Act as loss of both legs, both arms, or one leg and one arm; total loss of eyesight; paralysis; or other condition permanently incapacitating the worker from performing any work at any gainful occupation.

Related Reductions.

If a pension award for permanent total disability is preceded by a PPD award, there may be a related deduction in the pension award to account for the prior PPD award. That deduction is taken from the pension reserve for the claim and all monthly pension payments are then reduced accordingly. Under *Stuckey v. Department of Labor and Industries*, in all cases where a PPD award precedes a pension award, the Department of Labor and Industries (Department) must use this method of deduction.

Summary:

The worker has a choice when a PPD precedes a pension award and a related deduction is made. The worker may choose:

- to have the amount deducted from monthly pension benefits in an amount that does not exceed 25 percent of the monthly amount or one-sixth of the total overpayment, whichever is less; or
- to have the amount deducted from the pension reserve and have monthly compensation payments reduced accordingly.

These options apply to all pension orders issued on or after the effective date of the act.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 22, 2007