
Commerce & Labor Committee

HB 1792

Brief Description: Requiring a study of the incidence of total permanent disability pensions in the state's workers' compensation system.

Sponsors: Representatives Conway, Condotta, Morris, Chandler, Kenney, Priest, P. Sullivan, Chase, Wood and Moeller.

Brief Summary of Bill

- Requires the Department of Labor and Industries (Department) to conduct a study of the incidence of total permanent disability pensions in the state's workers' compensation system.
- Requires the Department to report to the Workers' Compensation Advisory Committee on the results of the study.

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. If permanent total disability results from an injury, a worker may be entitled to compensatory 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 Industrial Insurance Act as loss of both legs, or 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.

Pension benefits for eligible workers with a permanent total disability are payable to the worker as long as he or she remains totally disabled. A cost of living adjustment is made to the monthly pension amount each July 1st based upon changes in the state average monthly wage. The state

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average monthly wage is derived from the Employment Security Department's calculation of the state average annual wage.

Summary of Bill:

The Department of Labor and Industries (Department) must conduct a study of the incidence of total permanent disability pensions in the state's workers' compensation system. The Department must contract with an independent researcher with demonstrated expertise in workers' compensation systems. The Department must consult with the Workers' Compensation Advisory Committee (WCAC) to determine criteria to select the researcher and to actually select the researcher.

In conducting the study, the researcher must consider:

- causes of the recent increase in total permanent disability pensions, including changes in injured worker demographics, policy, and other identified areas;
- future anticipated total permanent disability trends; and
- a comparison of Washington's permanent disability claims experience and injured workers with other states and jurisdictions.

The Department must report to the WCAC on the results of the study before July 1, 2008.

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

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.