
**Labor & Workforce Development
Committee**

HB 2025

Brief Description: Freezing industrial insurance cost-of-living increases.

Sponsors: Representatives Springer and Sells.

Brief Summary of Bill

- Freezes industrial insurance cost-of-living adjustments for fiscal year 2012.

Hearing Date: 3/22/11

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 injured in the course of employment or disabled from an occupational disease are entitled to benefits. Workers temporarily unable to work receive time-loss benefits. A worker who suffers specified catastrophic injuries or other condition permanently incapacitating the worker from performing any work at any gainful occupation is entitled to permanent total disability (TPD or also referred to as pension) benefits. The amount of the time-loss or TPD benefits is 60 to 75 percent of the worker's wages, depending on the worker's family status and number of dependents, and subject to minimum and maximum amounts. The survivors of a worker who died as a result of a workplace injury or disease are also entitled to benefits.

Workers and their survivors receive a cost-of-living adjustment on July 1 of each year. The adjustment is determined by multiplying the amount of the worker's compensation by a fraction. The denominator is the average monthly wage in the state for the fiscal year in which the person's right to compensation was established, and the numerator is the average monthly wage

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on July 1 of the adjustment year. The average monthly wage is determined by the Employment Security Department.

Summary of Bill:

No cost-of-living adjustment shall be made on July 1, 2011.

Appropriation: None.

Fiscal Note: Requested on March 19, 2011.

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