

HOUSE BILL REPORT

ESHB 1648

As Amended by the Senate

Title: An act relating to charges against industrial insurance awards.

Brief Description: Revising provision relating to charges against industrial insurance awards.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Lisk, Romero, Goldsmith and Thompson; by request of Employment Security Department).

Brief History:

Committee Activity:

Commerce & Labor: 2/21/95, 2/27/95 [DPS].

Floor Activity:

Passed House: 3/8/95, 98-0;

Passed House: 1/17/96, 94-0.

Senate Amended.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Fuhrman; Goldsmith and Horn.

Staff: Chris Cordes (786-7117).

Background: Under the unemployment insurance law, a person is disqualified from receiving benefits if he or she is also receiving industrial insurance permanent total disability benefits or temporary total disability benefits during the same period.

The industrial insurance law does not permit assignment or attachment of industrial insurance benefits except for collection actions for child support payments and when reimbursement is required because the claimant received public assistance benefits and industrial insurance temporary total disability benefits during the same period.

Summary of Bill: The provision prohibiting assignment or attachment of industrial insurance benefits is modified to permit assignment or attachment when the industrial

insurance claimant is disqualified from receiving unemployment compensation because he or she was also receiving industrial insurance permanent or temporary total disability benefits.

Procedures are established for the Employment Security Department to enforce the lien against the industrial insurance benefits to the extent of the unemployment benefits or the industrial insurance benefits, whichever is less, that were provided to the claimant during the same period. The Employment Security Department's lien is effective on the day that notice is received by the Department of Labor and Industries or the self insured employer. A copy of the lien notice must be sent by certified mail to the claimant no later than the next business day after delivery to the Department of Labor and Industries or the self insured employer.

EFFECT OF SENATE AMENDMENT(S): The Employment Security Department's reimbursement for unemployment benefits that a claimant receives during a period when certain industrial insurance benefits are also payable will be reduced by a proportionate share of the reasonable attorneys' fees incurred by the injured worker.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Bill: The bill takes effect January 1, 1997.

Testimony For: If a claimant receives unemployment compensation and later is found eligible for industrial insurance benefits, it can be a hardship for the worker to be facing a large overpayment demand from the Employment Security Department. Under these circumstances it can be difficult to collect the overpayment. Credit should be given to a department employee who identified the problem and proposed a fair solution.

Testimony Against: None.

Testified: Dale Ziegler, Employment Security Department; and Clif Finch, Association of Washington Business.