

SENATE BILL REPORT

ESHB 1648

As Reported By Senate Committee On:
Labor, Commerce & Trade, February 22, 1996

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

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

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

Brief History:

Committee Activity: Labor, Commerce & Trade: 2/15/96, 2/22/96 [DPA].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass as amended.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Franklin, Fraser and Wojahn.

Staff: Patrick Woods (786-7430)

Background: Currently, unemployment insurance (UI) claimants are not eligible to receive UI benefits for any week for which they receive worker compensation payments from the Department of Labor and Industries. In certain instances, claimants are awarded retroactive worker compensation payments, thereby creating an unemployment insurance overpayment. When this occurs, the Employment Security Department attempts to recover the overpayments from the claimant through normal collection methods.

The industrial insurance law does not permit assignment or attachment of industrial insurance benefits except for collection actions for: (1) child support payments; and (2) when reimbursement is required because the claimant received public assistance benefits and industrial insurance temporary total disability benefits during the same period.

Summary of Amended Bill: The Department of Labor and Industries is authorized to deduct from an individual's worker compensation benefits any overpayments he or she received from the unemployment insurance program. The deductions are limited to the specific time period in which the individual received both unemployment insurance and worker compensation benefits. In instances where the claimant has incurred attorney's fees in order to secure worker compensation benefits, the amount of monies returned to the Employment Security Department are reduced by a proportionate amount.

Amended Bill Compared to Substitute Bill: The Employment Security Department is required to share proportionately in the claimant's attorney's fees and costs when the department receives reimbursement from the claimant's industrial insurance award.

Appropriation: None.

Fiscal Note: Requested on February 10, 1995.

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

Testimony For: The bill will ensure that the Employment Security Department receives overpayments due to a claimant receiving worker compensation benefits. In addition, claimants will not be placed in a financially distressing situation of having spent their worker compensation award and then being informed of an unemployment insurance overpayment.

Testimony Against: None.

Testified: Dale Ziegler, Byron Zamp, ESD (pro); Bill Hochberg, WSTLA (pro); Robby Stern, WSLC (pro); James Willard, WSFB (pro); Clif Finch, AWB (pro); Paul St. Hilaire, WAAG (pro).