

SENATE BILL REPORT

SHB 1466

AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, FEBRUARY 25, 1992

**Brief Description:** Reimbursement for attorneys' fees in certain social security benefit cases.

**SPONSORS:** House Committee on Commerce & Labor (originally sponsored by Representatives Ludwig, R. King, G. Cole, Heavey, Jones and Franklin)

HOUSE COMMITTEE ON COMMERCE & LABOR

SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McCaslin, McMullen, Moore, Murray, and Skratek.

**Staff:** Dave Cheal (786-7576)

**Hearing Dates:** March 23, 1991; February 24, 1992; February 25, 1992

**BACKGROUND:**

Between 1965 and 1975, a worker's social security disability benefits were partially reduced by other disability benefits the worker received, such as workers' compensation benefits. In 1975, Washington authorized an offset against an injured worker's temporary or total disability benefits to take into account the worker's social security disability benefits. This offset is in lieu of the federal offset. Under federal law, the worker is entitled to 80 percent of the worker's highest year earnings, unless either the social security benefits or workers' compensation benefits alone is higher.

The disability offset was extended to social security retirement benefits in 1986, following a recommendation of the Joint Select Committee on Industrial Insurance.

**SUMMARY:**

The Department of Labor and Industries or a self-insured employer must reimburse an injured worker for the attorneys' fees and expenses that the worker is required to pay as a result of a fee award made in the social security administrative hearing. This reimbursement must be made before the social security offset may be applied to the worker's industrial insurance benefits. The reimbursement may be made by delaying the offset against the worker's benefits.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

This would remove a disincentive to seek social security benefits for some claimants, and makes the social security offset more fair.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Dennis Martin, Washington State Trial Lawyers Association (pro)