Z-0563.1

HOUSE BILL 1606

State of Washington 58th Legislature 2003 Regular Session

By Representative Conway; by request of Department of Labor & Industries

Read first time 02/03/2003. Referred to Committee on Commerce & Labor.

- 1 AN ACT Relating to calculating the amount of total disability and
- death benefits under Title 51 RCW; amending RCW 51.08.178, 51.28.040,
- 3 51.32.050, and 51.32.060; and reenacting and amending RCW 51.32.090.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 51.08.178 and 1988 c 161 s 12 are each amended to read 6 as follows:
 - (1) For the purposes of this title, the monthly wages the worker was receiving from all employment at the time of injury shall be the basis upon which compensation is computed unless otherwise provided specifically in the statute concerned.
- 11 (2)(a) The term "wages" shall include:

7

8

9

10

- 12 <u>(i) The gross cash wages paid by the employer for services</u>
- 13 performed. "Cash wages" means payment in cash, by check, by electronic
- 14 transfer or by other means made directly to the worker before any
- 15 mandatory deductions required by state or federal law.
- 16 <u>(ii) Tips to the extent that they are reported to the employer for</u>
 17 <u>federal income tax purposes.</u>
- 18 (iii) The average monthly value of any bonus received from the

p. 1 HB 1606

employer in the twelve months immediately preceding the worker's injury or occupational disease.

- (iv) The reasonable value of board, housing, and fuel received from the employer as part of the contract of hire. This subsection (2)(a)(iv) shall not apply during any period in which the employer continues to provide the worker with the same level of board, housing, and fuel that was provided at the time of injury or disease manifestation.
- (b) The term "wages" does not include fringe benefits. "Fringe benefits" includes, but is not limited to, employer payments for, or contributions to a retirement or pension plan, life insurance, training, long-term disability, social security, profit sharing, stock option, savings account plan, or other employee or beneficiary benefit plan.
- (c) Medical, dental, and vision benefits provided by the employer of injury to a worker shall be included as wages under subsection (3) of this section. The amount and value of these wages is fixed as of the date the worker applies for benefits under this title. For claims filed on or after the effective date of this act, the value of these wages is fixed at three hundred seventy-three dollars per month.
- (i) The fixed value of the medical, dental, and vision benefits under this subsection (2)(c) shall be adjusted annually on July 1st to reflect changes in the prior calendar year average of the medical portion of the national consumer price index for all urban consumers. This adjusted figure shall only be used to determine the value of these benefits for new claims filed by workers.
- (ii) The amount and value of medical, vision, and dental insurance under this subsection shall not be added to the worker's wages for any period in which the worker continues to receive the same level of medical, vision, and dental insurance that were provided to the worker at the time of the injury or disease manifestation from any past or current employment with any employer.
- (3) Except as provided in subsection (4) of this section, in cases where the worker's wages are not fixed by the month, they shall be determined by multiplying the daily wage the worker was receiving at the time of the injury:
 - (a) By five, if the worker was normally employed one day a week;
- 38 (b) By nine, if the worker was normally employed two days a week;

- 1 (c) By thirteen, if the worker was normally employed three days a week;
- 3 (d) By eighteen, if the worker was normally employed four days a week;
- 5 (e) By twenty-two, if the worker was normally employed five days a 6 week;

- (f) By twenty-six, if the worker was normally employed six days a week;
- 9 (g) By thirty, if the worker was normally employed seven days a 10 week.
 - ((The term "wages" shall include the reasonable value of board, housing, fuel, or other consideration of like nature received from the employer as part of the contract of hire, but shall not include overtime pay except in cases under subsection (2) of this section. However, tips shall also be considered wages only to the extent such tips are reported to the employer for federal income tax purposes.)) The daily wage shall be the hourly wage multiplied by the number of hours the worker is normally employed. The number of days and hours the worker is normally employed shall be determined by the department in a fair and reasonable manner, which may include averaging the number of days worked per week and hours worked per day.
 - (((2) In cases where (a) the worker's employment is exclusively seasonal in nature or (b) the worker's current employment or his or her relation to his or her employment is essentially part time or intermittent, the)) (4)(a) The worker's monthly wages shall be calculated under this subsection if both of the following elements are met:
 - (i) The worker was engaged in temporary employment at the time of injury or disease manifestation. "Temporary employment" refers to the employment relationship with the employer of injury that was reasonably expected to end upon completion of a specific job or on a specific date; and
 - (ii) The worker was employed less than one hundred ninety-five working days in the twelve months immediately preceding the injury or disease manifestation.
 - (b) For the purposes of this subsection, the worker's monthly wage shall be determined by dividing by twelve the total wages earned,

p. 3 HB 1606

including overtime, from all employment in <u>the highest of</u> any twelve successive calendar months <u>in the three years</u> preceding the injury ((which fairly represent the claimant's employment pattern.

4 5

6

7

8

13

2425

26

27

2829

30

- (3) If, within the twelve months immediately preceding the injury, the worker has received from the employer at the time of injury a bonus as part of the contract of hire, the average monthly value of such bonus shall be included in determining the worker's monthly wages)) or disease.
- 9 ((\(\frac{(4+)}{4}\)) (\(\frac{5}{2}\)] In cases where a wage has not been fixed or cannot be 10 reasonably and fairly determined, the monthly wage shall be computed on 11 the basis of the usual wage paid other employees engaged in like or 12 similar occupations where the wages are fixed.
 - (6) The department may adopt rules to implement this section.
- 14 **Sec. 2.** RCW 51.28.040 and 1977 ex.s. c 199 s 1 are each amended to read as follows:
- ((If change of circumstances warrants an increase or rearrangement of compensation, like application shall be made therefor.)) Where the worker's application to reopen a claim has been granted under RCW 51.32.160, compensation and other benefits, if in order, shall be allowed for periods of time up to sixty days prior to the receipt of such application.
- 22 **Sec. 3.** RCW 51.32.050 and 1995 c 199 s 6 are each amended to read as follows:
 - (1) Where death results from the injury the expenses of burial not to exceed two hundred percent of the average monthly wage in the state as defined in RCW 51.08.018 shall be paid.
 - (2)(a) Where death results from the injury, a surviving spouse of a deceased worker eligible for benefits under this title shall receive monthly for life or until remarriage payments according to the following schedule:
- (i) If there are no children of the deceased worker, sixty percent of the wages of the deceased worker but not less than one hundred eighty-five dollars;
- (ii) If there is one child of the deceased worker and in the legal custody of such spouse, sixty-two percent of the wages of the deceased worker but not less than two hundred twenty-two dollars;

(iii) If there are two children of the deceased worker and in the legal custody of such spouse, sixty-four percent of the wages of the deceased worker but not less than two hundred fifty-three dollars;

1 2

3

45

6 7

8

9

10

11 12

13

14

15

16 17

18

19

2021

22

2324

25

2627

28

29

30

3132

33

34

35

3637

38

- (iv) If there are three children of the deceased worker and in the legal custody of such spouse, sixty-six percent of the wages of the deceased worker but not less than two hundred seventy-six dollars;
- (v) If there are four children of the deceased worker and in the legal custody of such spouse, sixty-eight percent of the wages of the deceased worker but not less than two hundred ninety-nine dollars; or
- (vi) If there are five or more children of the deceased worker and in the legal custody of such spouse, seventy percent of the wages of the deceased worker but not less than three hundred twenty-two dollars.
- (b) For claims filed on or after July 1, 2004, the minimum amount paid under (a) of this subsection is three hundred fifty-two dollars.
- (c) Where the surviving spouse does not have legal custody of any child or children of the deceased worker or where after the death of the worker legal custody of such child or children passes from such surviving spouse to another, any payment on account of such child or children not in the legal custody of the surviving spouse shall be made to the person or persons having legal custody of such child or The amount of such payments shall be five percent of the monthly benefits payable as a result of the worker's death for each such child but such payments shall not exceed twenty-five percent. Such payments on account of such child or children shall be subtracted from the amount to which such surviving spouse would have been entitled had such surviving spouse had legal custody of all of the children and the surviving spouse shall receive the remainder after such payments on account of such child or children have been subtracted. Such payments on account of a child or children not in the legal custody of such surviving spouse shall be apportioned equally among such children.
- $((\langle c \rangle))$ (d) Payments to the surviving spouse of the deceased worker shall cease at the end of the month in which remarriage occurs: PROVIDED, That a monthly payment shall be made to the child or children of the deceased worker from the month following such remarriage in a sum equal to five percent of the wages of the deceased worker for one child and a sum equal to five percent for each additional child up to a maximum of five such children. Payments to such child or children shall be apportioned equally among such children. Such sum shall be in

p. 5 HB 1606

place of any payments theretofore made for the benefit of or on account of any such child or children. If the surviving spouse does not have legal custody of any child or children of the deceased worker, or if after the death of the worker, legal custody of such child or children passes from such surviving spouse to another, any payment on account of such child or children not in the legal custody of the surviving spouse shall be made to the person or persons having legal custody of such child or children.

 $((\frac{d}{d}))$ (e) In no event shall the monthly payments provided in subsection (2) of this section exceed the applicable percentage of the average monthly wage in the state as computed under RCW 51.08.018 as follows:

13	AFTER	PERCENTAGE
14	June 30, 1993	105%
15	June 30, 1994	110%
16	June 30, 1995	115%
17	June 30, 1996	120%

 $((\frac{(e)}{(e)}))$ (f) In addition to the monthly payments provided for in subsection (2)(a) through $((\frac{(e)}{(e)}))$ (d) of this section, a surviving spouse or child or children of such worker if there is no surviving spouse, or dependent parent or parents, if there is no surviving spouse or child or children of any such deceased worker shall be forthwith paid a sum equal to one hundred percent of the average monthly wage in the state as defined in RCW 51.08.018, any such children, or parents to share and share alike in said sum.

 $((\frac{f}{f}))$ (g) Upon remarriage of a surviving spouse the monthly payments for the child or children shall continue as provided in this section, but the monthly payments to such surviving spouse shall cease at the end of the month during which remarriage occurs. However, after September 8, 1975, an otherwise eligible surviving spouse of a worker who died at any time prior to or after September 8, 1975, shall have an option of:

(i) Receiving, once and for all, a lump sum of twenty-four times the monthly compensation rate in effect on the date of remarriage allocable to the spouse for himself or herself pursuant to subsection (2)(a)(i) of this section and subject to any modifications specified

нв 1606 р. 6

under subsection $(2)((\frac{d}{d}))$ (e) of this section and RCW 51.32.075(3) or fifty percent of the then remaining annuity value of his or her pension, whichever is the lesser: PROVIDED, That if the injury occurred prior to July 28, 1991, the remarriage benefit lump sum available shall be as provided in the remarriage benefit schedules then in effect; or

- (ii) If a surviving spouse does not choose the option specified in subsection $(2)((\frac{f}{f})(i))$ (g)(i) of this section to accept the lump sum payment, the remarriage of the surviving spouse of a worker shall not bar him or her from claiming the lump sum payment authorized in subsection $(2)((\frac{f}{f})(i))$ (g)(i) of this section during the life of the remarriage, or shall not prevent subsequent monthly payments to him or to her if the remarriage has been terminated by death or has been dissolved or annulled by valid court decree provided he or she has not previously accepted the lump sum payment.
- $((\frac{g}))$ (h) If the surviving spouse during the remarriage should die without having previously received the lump sum payment provided in subsection $(2)((\frac{f}{i}))$ (g)(i) of this section, his or her estate shall be entitled to receive the sum specified under subsection $(2)((\frac{f}{i}))$ (g)(i) of this section or fifty percent of the then remaining annuity value of his or her pension whichever is the lesser.
- $((\frac{h}{h}))$ (i) The effective date of resumption of payments under subsection $(2)((\frac{f}{h}))$ (g)(ii) of this section to a surviving spouse based upon termination of a remarriage by death, annulment, or dissolution shall be the date of the death or the date the judicial decree of annulment or dissolution becomes final and when application for the payments has been received.
- $((\frac{1}{2}))$ if it should be necessary to increase the reserves in the reserve fund or to create a new pension reserve fund as a result of the amendments in chapter 45, Laws of 1975-'76 2nd ex. sess., the amount of such increase in pension reserve in any such case shall be transferred to the reserve fund from the supplemental pension fund.
- (3) If there is a child or children and no surviving spouse of the deceased worker or the surviving spouse is not eligible for benefits under this title, a sum equal to thirty-five percent of the wages of the deceased worker shall be paid monthly for one child and a sum equivalent to fifteen percent of such wage shall be paid monthly for each additional child, the total of such sum to be divided among such

p. 7 HB 1606

children, share and share alike: PROVIDED, That benefits under this subsection or subsection (4) of this section shall not exceed the lesser of sixty-five percent of the wages of the deceased worker at the time of his or her death or the applicable percentage of the average monthly wage in the state as defined in RCW 51.08.018, as follows:

6	AFTER	PERCENTAGE
7	June 30, 1993	105%
8	June 30, 1994	110%
9	June 30, 1995	115%
10	June 30, 1996	120%

- (4) In the event a surviving spouse receiving monthly payments dies, the child or children of the deceased worker shall receive the same payment as provided in subsection (3) of this section.
- (5) If the worker leaves no surviving spouse or child, but leaves a dependent or dependents, a monthly payment shall be made to each dependent equal to fifty percent of the average monthly support actually received by such dependent from the worker during the twelve months next preceding the occurrence of the injury, but the total payment to all dependents in any case shall not exceed the lesser of sixty-five percent of the wages of the deceased worker at the time of his or her death or the applicable percentage of the average monthly wage in the state as defined in RCW 51.08.018 as follows:

23	AFTER	PERCENTAGE
24	June 30, 1993	105%
25	June 30, 1994	110%
26	June 30, 1995	115%
27	June 30, 1996	120%

If any dependent is under the age of eighteen years at the time of the occurrence of the injury, the payment to such dependent shall cease when such dependent reaches the age of eighteen years except such payments shall continue until the dependent reaches age twenty-three while permanently enrolled at a full time course in an accredited school. The payment to any dependent shall cease if and when, under

the same circumstances, the necessity creating the dependency would have ceased if the injury had not happened.

3

4

5

6 7

8

9

10

11

17

18

19

20

23

24

2526

2728

32

33

34

- (6) For claims filed prior to July 1, 1986, if the injured worker dies during the period of permanent total disability, whatever the cause of death, leaving a surviving spouse, or child, or children, the surviving spouse or child or children shall receive benefits as if death resulted from the injury as provided in subsections (2) through (4) of this section. Upon remarriage or death of such surviving spouse, the payments to such child or children shall be made as provided in subsection (2) of this section when the surviving spouse of a deceased worker remarries.
- 12 (7) For claims filed on or after July 1, 1986, every worker who 13 becomes eligible for permanent total disability benefits shall elect an 14 option as provided in RCW 51.32.067.
- 15 **Sec. 4.** RCW 51.32.060 and 1993 c 521 s 2 are each amended to read 16 as follows:
 - (1) Except as provided in subsection (2) of this section, when the supervisor of industrial insurance shall determine that permanent total disability results from the injury, the worker shall receive monthly during the period of such disability:
- 21 (a) If married at the time of injury, sixty-five percent of his or 22 her wages but not less than two hundred fifteen dollars per month.
 - (b) If married with one child at the time of injury, sixty-seven percent of his or her wages but not less than two hundred fifty-two dollars per month.
 - (c) If married with two children at the time of injury, sixty-nine percent of his or her wages but not less than two hundred eighty-three dollars.
- 29 (d) If married with three children at the time of injury, 30 seventy-one percent of his or her wages but not less than three hundred 31 six dollars per month.
 - (e) If married with four children at the time of injury, seventy-three percent of his or her wages but not less than three hundred twenty-nine dollars per month.
- 35 (f) If married with five or more children at the time of injury, 36 seventy-five percent of his or her wages but not less than three 37 hundred fifty-two dollars per month.

p. 9 HB 1606

1 (g) If unmarried at the time of the injury, sixty percent of his or 2 her wages but not less than one hundred eighty-five dollars per month.

- (h) If unmarried with one child at the time of injury, sixty-two percent of his or her wages but not less than two hundred twenty-two dollars per month.
- (i) If unmarried with two children at the time of injury, sixty-four percent of his or her wages but not less than two hundred fifty-three dollars per month.
- (j) If unmarried with three children at the time of injury, sixty-six percent of his or her wages but not less than two hundred seventy-six dollars per month.
- (k) If unmarried with four children at the time of injury, sixty-eight percent of his or her wages but not less than two hundred ninety-nine dollars per month.
- (1) If unmarried with five or more children at the time of injury, seventy percent of his or her wages but not less than three hundred twenty-two dollars per month.
- (2) For any claim filed on or after July 1, 2004, when the supervisor of industrial insurance determines that permanent total disability results from the injury, the worker shall receive monthly during the period of such disability sixty-seven percent of his or her wages at the time of injury, but not less than three hundred fifty-two dollars per month.
- (3) For any period of time where both husband and wife are entitled to compensation as temporarily or totally disabled workers, only that spouse having the higher wages of the two shall be entitled to claim their child or children for compensation purposes.
- $((\frac{3}{2}))$ (4) In case of permanent total disability, if the character of the injury is such as to render the worker so physically helpless as to require the hiring of the services of an attendant, the department shall make monthly payments to such attendant for such services as long as such requirement continues, but such payments shall not obtain or be operative while the worker is receiving care under or pursuant to the provisions of chapter 51.36 RCW and RCW 51.04.105.
- $((\frac{4}{1}))$ (5) Should any further accident result in the permanent total disability of an injured worker, he or she shall receive the pension to which he or she would be entitled, notwithstanding the payment of a lump sum for his or her prior injury.

нв 1606 р. 10

(((5))) (6) In no event shall the monthly payments provided in this section exceed the applicable percentage of the average monthly wage in the state as computed under the provisions of RCW 51.08.018 as follows:

4	AFTER	PERCENTAGE
5	June 30, 1993	105%
6	June 30, 1994	110%
7	June 30, 1995	115%
8	June 30, 1996	120%

The limitations under this subsection shall not apply to the payments provided for in subsection (3) of this section.

- $((\frac{(6)}{(6)}))$ In the case of new or reopened claims, if the supervisor of industrial insurance determines that, at the time of filing or reopening, the worker is voluntarily retired and is no longer attached to the work force, benefits shall not be paid under this section.
- $((\frac{7}{}))$ (8) The benefits provided by this section are subject to modification under RCW 51.32.067.
 - (9) The department may adopt rules to implement this section.
- - (1) When the total disability is only temporary, the schedule of payments contained in RCW 51.32.060 (1) ((and (2))) through (3) shall apply, so long as the total disability continues.
 - (2) Any compensation payable under this section for children not in the custody of the injured worker as of the date of injury shall be payable only to such person as actually is providing the support for such child or children pursuant to the order of a court of record providing for support of such child or children. This subsection does not apply to any claim filed on or after July 1, 2004.
 - (3)(a) As soon as recovery is so complete that the present earning power of the worker, at any kind of work, is restored to that existing at the time of the occurrence of the injury, the payments shall cease. If and so long as the present earning power is only partially restored, the payments shall:

p. 11 HB 1606

1 (i) For claims for injuries that occurred before May 7, 1993, 2 continue in the proportion which the new earning power shall bear to 3 the old; or

4 5

6 7

8

9

11

1213

14

15

16 17

18

19

2021

22

2324

25

2627

28

29

3031

32

33

3435

36

37

- (ii) For claims for injuries occurring on or after May 7, 1993, equal eighty percent of the actual difference between the worker's present wages and earning power at the time of injury, but: (A) The total of these payments and the worker's present wages may not exceed one hundred fifty percent of the average monthly wage in the state as computed under RCW 51.08.018; (B) the payments may not exceed one hundred percent of the entitlement as computed under subsection (1) of this section; and (C) the payments may not be less than the worker would have received if (a)(i) of this subsection had been applicable to the worker's claim.
- (b) No compensation shall be payable under this subsection (3) unless the loss of earning power shall exceed five percent.
- (4)(a) Whenever the employer of injury requests that a worker who is entitled to temporary total disability under this chapter be certified by a physician as able to perform available work other than his or her usual work, the employer shall furnish to the physician, with a copy to the worker, a statement describing the work available with the employer of injury in terms that will enable the physician to relate the physical activities of the job to the worker's disability. The physician shall then determine whether the worker is physically able to perform the work described. The worker's temporary total disability payments shall continue until the worker is released by his or her physician for the work, and begins the work with the employer of injury. If the work thereafter comes to an end before the worker's recovery is sufficient in the judgment of his or her physician to permit him or her to return to his or her usual job, or to perform other available work offered by the employer of injury, the worker's temporary total disability payments shall be resumed. Should the available work described, once undertaken by the worker, impede his or her recovery to the extent that in the judgment of his or her physician he or she should not continue to work, the worker's temporary total disability payments shall be resumed when the worker ceases such work.
- (b) Once the worker returns to work under the terms of this subsection (4), he or she shall not be assigned by the employer to work

other than the available work described without the worker's written consent, or without prior review and approval by the worker's physician.

- (c) If the worker returns to work under this subsection (4), any employee health and welfare benefits that the worker was receiving at the time of injury shall continue or be resumed at the level provided at the time of injury. Such benefits shall not be continued or resumed if to do so is inconsistent with the terms of the benefit program, or with the terms of the collective bargaining agreement currently in force.
- (d) In the event of any dispute as to the worker's ability to perform the available work offered by the employer, the department shall make the final determination.
- (5) No worker shall receive compensation for or during the day on which injury was received or the three days following the same, unless his or her disability shall continue for a period of fourteen consecutive calendar days from date of injury: PROVIDED, That attempts to return to work in the first fourteen days following the injury shall not serve to break the continuity of the period of disability if the disability continues fourteen days after the injury occurs.
- (6) Should a worker suffer a temporary total disability and should his or her employer at the time of the injury continue to pay him or her the wages which he or she was earning at the time of such injury, such injured worker shall not receive any payment provided in subsection (1) or (2) of this section during the period his or her employer shall so pay such wages.
- (7) In no event shall the monthly payments provided in this section exceed the applicable percentage of the average monthly wage in the state as computed under the provisions of RCW 51.08.018 as follows:

30	AFTER	PERCENTAGE
31	June 30, 1993	105%
32	June 30, 1994	110%
33	June 30, 1995	115%
34	June 30, 1996	120%

(8) If the supervisor of industrial insurance determines that the

p. 13 HB 1606

- 1 worker is voluntarily retired and is no longer attached to the work
- 2 force, benefits shall not be paid under this section.
- 3 (9) The department may adopt rules to implement this section.

--- END ---

нв 1606 р. 14