

FINAL BILL REPORT

HB 3134

C 163 L 06

Synopsis as Enacted

Brief Description: Determining the amount of compensation for temporary or permanent total disability.

Sponsors: By Representatives Conway, Wood, Chase and Kenney.

House Committee on Commerce & Labor

Senate Committee on Labor, Commerce, Research & Development

Background:

The federal Social Security Act contains provisions to coordinate benefits received under more than one disability program. Social security disability benefits for persons under age 65 are reduced by the full amount of state or federal workers' compensation benefits also being paid to the individual. Federal law includes a "reverse offset" that permits the disability benefit reduction to be taken by a state's workers' compensation program rather than by the federal program. Federal law provides a formula for computing this reverse offset.

State law also allows the Department of Labor and Industries (Department) to reduce workers' compensation benefits for social security retirement benefits. Unlike the reverse offset for social security disability benefits, there is no corresponding federal law for the retirement benefit reduction. Under state law, the procedures for the retirement benefit reduction must comply with the procedures for the offset for social security disability benefits, except for procedures that relate to computation.

Summary:

For a worker whose entitlement to social security retirement benefits is immediately preceded by an entitlement to social security disability benefits, the reduction for social security retirement benefits must be computed consistent with the formula set forth in federal law for computing the reverse offset for social security disability benefits.

For all other workers, the reduction for social security retirement benefits must be calculated to most closely follow the intent of the state law that sets forth the reverse offset for social security disability payments.

Votes on Final Passage:

House	96	0
Senate	44	0

Effective: June 7, 2006