H-1138.1			

HOUSE BILL 1674

State of Washington 59th Legislature 2005 Regular Session

By Representatives Condotta, Armstrong, Holmquist, Schindler, Serben, Kretz, Clements, Shabro, Skinner, McDonald, Haler, McCune, Ericksen, Newhouse, Alexander, Woods, Kristiansen, Dunn, Strow, Crouse, Bailey, Pearson, Rodne, Hinkle and Talcott

Read first time 02/01/2005. Referred to Committee on Commerce & Labor.

- AN ACT Relating to simplifying and adding certainty to the calculation of workers' compensation benefits; amending RCW 51.08.178, 51.28.040, 51.32.050, 51.32.060, 51.32.072, 51.32.075, 51.32.080, 51.32.090, 51.32.095, 51.32.095, and 51.36.020; reenacting and amending RCW 51.32.090; adding new sections to chapter 51.08 RCW; adding a new section to chapter 51.32 RCW; providing effective dates; providing an expiration date; and declaring an emergency.
- 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 9 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 51.08 RCW to read as follows:
- "Inflation" means the percentage change in the implicit price deflator for personal consumption expenditures for the United States as
- 13 published for the most recent twelve-month period by the bureau of
- 14 economic analysis of the federal department of commerce in September of
- 15 the year before a July 1st determination.
- 16 Sec. 2. RCW 51.08.178 and 1988 c 161 s 12 are each amended to read
- 17 as follows:
- 18 (((1) For the purposes of this title, the monthly wages the worker

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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. 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;
- (b) By nine, if the worker was normally employed two days a week;
- (c) By thirteen, if the worker was normally employed three days a week;
- 11 (d) By eighteen, if the worker was normally employed four days a
 12 week;
- (e) By twenty two, if the worker was normally employed five days a week;
- 15 (f) By twenty six, if the worker was normally employed six days a
 16 week;
 - (g) By thirty, if the worker was normally employed seven days a 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 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 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 monthly wage shall be determined by dividing by twelve the total wages earned, including overtime, from all employment in any twelve successive calendar months preceding the injury which fairly represent the claimant's employment pattern.
- 37 (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.

- (4) In cases where a wage has not been fixed or cannot be reasonably and fairly determined, the monthly wage shall be computed on the basis of the usual wage paid other employees engaged in like or similar occupations where the wages are fixed.)) (1) "Wages" means the gross remuneration paid in cash by the employer to the worker for services performed with respect to a pay period, before any deductions. "Paid in cash" means payment in cash, by check, by electronic transfer, or by other means made directly to the worker.
- (2) The worker's monthly wage shall be determined by dividing by twelve the total wages earned from all employment, including cash bonuses and overtime pay, in any four successive quarters in the twenty-four months preceding the injury or manifestation of occupational disease that most reasonably represents the worker's wages.
- (a) Tips shall be considered wages only to the extent that such tips are reported to the employer for federal income tax purposes.
- (b) Wages shall include the actual value of board, housing, and fuel received from the employer as part of the contract of hire. This subsection does not apply during any period in which the employer continues to provide, through a past or current payment, board, housing, and/or fuel that were provided to the employee at the time of the injury or manifestation of occupational disease.
- (c) Wages shall not include fringe benefits. Fringe benefits are any consideration given to a worker in addition to wages including, but not limited to: Retirement and financial benefit plans of whatever nature; mental and physical health insurance and treatment of whatever nature; life, disability, and wage-replacement insurance of whatever nature; unused, accrued leave of whatever nature; memberships of whatever nature; employee discounts or use or consumption of employer services, materials, equipment, and facilities of whatever nature; training and education of whatever nature; and other employee or beneficiary benefit plan for the employee's or beneficiaries' benefit resulting from the employment relationship.
- (3) Notwithstanding subsection (2) of this section, in cases where (a) the worker sustains an injury or occupational disease less than one

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year after beginning an employment relationship that both the worker and the employer intend to be continuous and lasting without limit into the foreseeable future and which provides wages, on an annualized basis, of greater than one hundred fifty percent of wages earned by the worker in the twelve months before beginning such employment, or (b) the worker sustains an injury or occupational disease less than one year after beginning an employment relationship that either the worker or the employer does not intend to be continuous and lasting without limit into the foreseeable future and represents a substantial change from the worker's previous occupation and recent wage earning history, the monthly wage shall be computed on the basis of the usual wage paid other employees of the employer at the time of injury or manifestation of occupational disease who perform like job duties with like work patterns, or, if none exist, other workers in the worker's labor market who perform like job duties with like work patterns.

(4) If the department or self-insurer cannot obtain sufficient accurate information to calculate the worker's wages pursuant to subsection (2) of this section before the first payment of monthly compensation is due, payments may be made provisionally based upon the usual wage paid other employees of the employer at the time of injury or manifestation of occupational disease who perform like job duties with like work patterns, or, if none exist, other workers in the worker's labor market who perform like job duties with like work patterns. The department or self-insurer shall promptly calculate the worker's wage rate, and shall issue a determination of the worker's wage no later than ninety days from the date of injury based on wage information submitted.

Sec. 3. RCW 51.28.040 and 1977 ex.s. c 199 s 1 are each amended to 29 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.

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Sec. 4. RCW 51.32.050 and 1995 c 199 s 6 are each amended to read as follows:

- (1)(a) For claims with date of injury or manifestation of occupational disease before July 1, 2005, 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.
- (b) For claims with date of injury or manifestation of occupational disease on or after July 1, 2005, where death results from the injury, the expenses of burial shall be paid, not to exceed an amount determined by the department on July 1, 2004, and each July 1st thereafter, and applicable to claims filed with respect to injuries occurring in the twelve-month period following the July 1st determination. The amount is determined by adjusting the amount applicable during the previous twelve-month period to account for inflation.
- (2)(a)(i) For claims with date of injury or manifestation of occupational disease before July 1, 2005, 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:
- $((\frac{1}{2}))$ (A) 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;
- $((\frac{(ii)}{(ii)}))$ (B) 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))) (C) 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;
- ((iv))) <u>(D)</u> 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;
- $((\frac{\langle v \rangle}{}))$ (E) 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

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 $((\frac{\langle vi \rangle}{}))$ (F) 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.

- (ii) For claims with date of injury or manifestation of occupational disease on or after July 1, 2005, 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 of sixty-five and five-tenths percent of the wages of the deceased worker, but not less than two hundred seventy-six dollars.
- (b) 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.
- (c) 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 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.

(d) ((In no event shall)) (i) For claims with date of injury or manifestation of occupational disease before July 1, 2005, the monthly payments provided in subsection (2) of this section may not exceed the applicable percentage of the average monthly wage in the state as computed under RCW 51.08.018 as follows:

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

- (ii) On July 1, 2005, and on each July 1st thereafter, the department shall determine the maximum amount of the monthly payment provided in this subsection for claims with date of injury or manifestation of occupational disease in the twelve-month period beginning on the date of the department's determination. The department shall determine the maximum amount for the twelve-month period beginning on July 1st of each year by adjusting the maximum amount for the previous twelve-month period by the rate of inflation.
- (e) In addition to the monthly payments provided for in subsection (2)(a) through (c) 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.
- (f) 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,

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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 $(2)(a)(i)(\underline{A})$ of this section and subject to any modifications specified under subsection (2)(d) of this section and RCW 51.32.075(((3)))(1)(c) 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)(f)(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)(f)(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.
- (g) If the surviving spouse during the remarriage should die without having previously received the lump sum payment provided in subsection (2)(f)(i) of this section, his or her estate shall be entitled to receive the sum specified under subsection (2)(f)(i) of this section or fifty percent of the then remaining annuity value of his or her pension whichever is the lesser.
- (h) The effective date of resumption of payments under subsection (2)(f)(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.
- (i) 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 children, share and share alike((÷ PROVIDED, That)), subject to the following:
- (a) For claims with date of injury or manifestation of occupational disease before July 1, 2005, 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:

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

- (b) On July 1, 2005, and on each July 1st thereafter, the department shall determine the maximum amount of the monthly payment provided in this subsection for claims with date of injury or manifestation of occupational disease in the twelve-month period beginning on the date of the department's determination. The department shall determine the maximum amount for the twelve-month period beginning on July 1st of each year by adjusting the maximum amount for the previous twelve-month period by the rate of inflation.
- (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)(a) If the worker leaves no surviving spouse or child, but leaves a dependent or dependents, a monthly payment shall be made to each dependent as follows:
- (i) For claims with date of injury or manifestation of occupational disease before July 1, 2005, the monthly payment shall be equal to fifty percent of the average monthly support actually received by such

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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:

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

(ii) On July 1, 2005, and on each July 1st thereafter, the department shall determine the maximum amount of the monthly payment provided in this subsection for claims with date of injury or manifestation of occupational disease in the twelve-month period beginning on the date of the department's determination. The department shall determine the maximum amount for the twelve-month period beginning on July 1st of each year by adjusting the maximum amount for the previous twelve-month period by the rate of inflation.

(b) 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.

(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.

- 1 (7) For claims filed on or after July 1, 1986, every worker who 2 becomes eligible for permanent total disability benefits shall elect an 3 option as provided in RCW 51.32.067.
 - Sec. 5. RCW 51.32.060 and 1993 c 521 s 2 are each amended to read as follows:

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- (1) Except as provided in subsection (2) of this section, when the supervisor of industrial insurance ((shall)) determines that permanent total disability results from the injury, the worker shall receive monthly during the period of such disability:
- (a) If married at the time of injury, sixty-five percent of his or her wages but not less than two hundred fifteen dollars per month.
- 12 (b) If married with one child at the time of injury, sixty-seven 13 percent of his or her wages but not less than two hundred fifty-two 14 dollars per month.
- 15 (c) If married with two children at the time of injury, sixty-nine 16 percent of his or her wages but not less than two hundred eighty-three 17 dollars.
- 18 (d) If married with three children at the time of injury, 19 seventy-one percent of his or her wages but not less than three hundred 20 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.
 - (f) If married with five or more children at the time of injury, seventy-five percent of his or her wages but not less than three hundred fifty-two dollars per month.
 - (g) If unmarried at the time of the injury, sixty percent of his or her wages but not less than one hundred eighty-five dollars per month.
- 29 (h) If unmarried with one child at the time of injury, sixty-two 30 percent of his or her wages but not less than two hundred twenty-two 31 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.
- 35 (j) If unmarried with three children at the time of injury, 36 sixty-six percent of his or her wages but not less than two hundred 37 seventy-six dollars per month.

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(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 with date of injury or manifestation of occupational disease on or after July 1, 2005, 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-five and five-tenths percent of his or her wages as determined under RCW 51.08.178, but not less than two hundred seventy-six 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 <u>under subsection (1)</u> of this section.
- $((\frac{3}{2}))$ (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.
- ((4))) (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.
- (((5) In no event shall)) (6)(a)(i) For claims filed before July 1, 2005, the monthly payments provided in this section may not exceed the applicable percentage of the average monthly wage in the state as computed under the provisions of RCW 51.08.018 as follows:

34	AFTER	PERCENTAGE
35	June 30, 1993	105%
36	June 30, 1994	110%

1 June 30, 1995 115% 2 June 30, 1996 120%

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- (ii) On July 1, 2005, and on each July 1st thereafter, the department shall determine the maximum amount of the monthly payment provided in this section for claims with date of injury or manifestation of occupational disease in the twelve-month period beginning on the date of the department's determination. The department shall determine the maximum amount for the twelve-month period beginning on July 1st of each year by adjusting the maximum amount for the previous twelve-month period by the rate of inflation.
- (b) The limitations under this subsection shall not apply to the payments provided for in subsection $((\frac{3}{2}))$ (4) of this section.
 - (((6))) <u>(7)</u> 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.
- 18 (((+7))) (8) The benefits provided by this section are subject to modification under RCW 51.32.067.
- 20 **Sec. 6.** RCW 51.32.072 and 1987 c 185 s 34 are each amended to read 21 as follows:
 - (1)(a) Notwithstanding any other provision of law, every surviving spouse and every permanently totally disabled worker or temporarily totally disabled worker, if such worker was unmarried at the time of the worker's injury or was then married but the marriage was later terminated by judicial action, receiving a pension or compensation for temporary total disability under this title pursuant to compensation schedules in effect prior to July 1, 1971, shall after July 1, 1975, and before July 1, 2005, be paid fifty percent of the average monthly wage in the state as computed under RCW 51.08.018 per month and an amount equal to five percent of such average monthly wage per month to such totally disabled worker if married at the time of the worker's injury and the marriage was not later terminated by judicial action, and an additional two percent of such average monthly wage for each child of such totally disabled worker at the time of injury in the legal custody of such totally disabled worker or such surviving spouse up to a maximum of five such children. The monthly payments such

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surviving spouse or totally disabled worker are receiving pursuant to compensation schedules in effect prior to July 1, 1971 shall be deducted from the monthly payments above specified.

(b) Subject to subsection (2) of this section, where such a surviving spouse has remarried, or where any such child of such worker, whether living or deceased, is not in the legal custody of such worker or such surviving spouse there shall be paid for the benefit of and on account of each such child a sum equal to two percent of such average monthly wage up to a maximum of five such children in addition to any payments theretofore paid under compensation schedules in effect prior to July 1, 1971 for the benefit of and on account of each such child. In the case of any child or children of a deceased worker not leaving a surviving spouse or where the surviving spouse has later died, there shall be paid for the benefit of and on account of each such child a sum equal to two percent of such average monthly wage up to a maximum of five such children in addition to any payments theretofore paid under such schedules for the benefit of and on account of each such child.

(2) On July 1, 2005, and on each July 1st thereafter, the department shall determine the amounts of the monthly payments and the additional payments for the injured worker's spouse or children provided in this section and made in the twelve-month period beginning on the date of the department's determination. The department shall determine the amounts for the twelve-month period beginning on July 1st of each year by adjusting the amounts for the previous twelve-month period by the rate of inflation.

(3)(a) If the character of the injury or occupational disease 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 this title except for care granted at the discretion of the supervisor pursuant to RCW 51.36.010: PROVIDED, That such payments shall not be considered compensation nor shall they be subject to any limitation upon total compensation payments.

(b) No part of such additional payments shall be payable from the accident fund.

(4) The director shall pay monthly from the supplemental pension fund such an amount as will, when added to the compensation theretofore paid under compensation schedules in effect prior to July 1, 1971, equal the amounts hereinabove specified.

- 5 (5) In cases where money has been or shall be advanced to any such 6 person from the pension reserve, the additional amount to be paid under 7 this section shall be reduced by the amount of monthly pension which 8 was or is predicated upon such advanced portion of the pension reserve.
- **Sec. 7.** RCW 51.32.075 and 1988 c 161 s 7 are each amended to read 10 as follows:
 - (1) Subject to subsection (2) of this section, the compensation or death benefits payable pursuant to the provisions of this chapter for temporary total disability, permanent total disability, or death arising out of injuries or occupational diseases shall be adjusted as follows:
 - ((\(\frac{(1)}{1}\))(a) On July 1, 1982, there shall be an adjustment for those whose right to compensation was established on or after July 1, 1971, and before July 1, 1982. The adjustment shall be determined by multiplying the amount of compensation to which they are entitled by a fraction, the denominator of which shall be the average monthly wage in the state under RCW 51.08.018 for the fiscal year in which such person's right to compensation was established, and the numerator of which shall be the average monthly wage in the state under RCW 51.08.018 on July 1, 1982.
 - ((\(\frac{(2)}{2}\))) (b) In addition to the adjustment established by ((\(\frac{\text{subsection}}{(1)}\))) (a) of this ((\(\text{section}\))) subsection, there shall be another adjustment on July 1, 1983, for those whose right to compensation was established on or after July 1, 1971, and before July 1983, which shall be determined by multiplying the amount of compensation to which they are entitled by a fraction, the denominator of which shall be the average monthly wage in the state under RCW 51.08.018 for the fiscal year in which such person's right to compensation was established, and the numerator of which shall be the average monthly wage in the state under RCW 51.08.018 on July 1, 1983.
 - $((\frac{3}{)})$ (c) In addition to the adjustments under ((subsections (1) and (2))) (a) and (b) of this ((section)) subsection, further adjustments shall be made beginning on July 1, 1984, and on each July

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1st thereafter for those whose right to compensation was established on 1 2 or after July 1, 1971. The adjustment shall be determined by multiplying the amount of compensation to which they are entitled by a 3 fraction, the denominator of which shall be the average monthly wage in 4 the state under RCW 51.08.018 for the fiscal year in which such 5 person's right to compensation was established, and the numerator of 6 which shall be the average monthly wage in the state under RCW 7 8 51.08.018 on July 1st of the year in which the adjustment is being The department or self-insurer shall adjust the resulting 9 10 compensation rate to the nearest whole cent, not to exceed the average 11 monthly wage in the state as computed under RCW 51.08.018.

(2) On July 1, 2005, and on each July 1st thereafter, the department shall determine the amount of the annual adjustments provided for in this section for payments made in the twelve-month period beginning on the date of the department's determination. The department shall determine the amount for the twelve-month period beginning on July 1st of each year by adjusting the amount for the previous twelve-month period by the rate of inflation.

19 **Sec. 8.** RCW 51.32.080 and 1993 c 520 s 1 are each amended to read 20 as follows:

(1)(a) Until July 1, 1993, for the permanent partial disabilities here specifically described, the injured worker shall receive compensation as follows:

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25	LOSS BY AMPUTATION	
26	Of leg above the knee joint with short	
27	thigh stump (3" or less below the	
28	tuberosity of ischium)	\$54,000.00
29	Of leg at or above knee joint with	
30	functional stump	48,600.00
31	Of leg below knee joint	43,200.00
32	Of leg at ankle (Syme)	37,800.00
33	Of foot at mid-metatarsals	18,900.00
34	Of great toe with resection of metatarsal	
35	bone	11,340.00

1	Of great toe at metatarsophalangeal	
2	joint	6,804.00
3	Of great toe at interphalangeal joint	3,600.00
4	Of lesser toe (2nd to 5th) with resection of	
5	metatarsal bone	4,140.00
6	Of lesser toe at metatarsophalangeal	
7	joint	2,016.00
8	Of lesser toe at proximal interphalangeal	
9	joint	1,494.00
10	Of lesser toe at distal interphalangeal	
11	joint	378.00
12	Of arm at or above the deltoid insertion or	
13	by disarticulation at the shoulder	54,000.00
14	Of arm at any point from below the deltoid	
15	insertion to below the elbow joint at	
16	the insertion of the biceps tendon	51,300.00
17	Of arm at any point from below the elbow	
18	joint distal to the insertion of the	
19	biceps tendon to and including	
20	mid-metacarpal amputation of the	
21	hand	48,600.00
22	Of all fingers except the thumb at	
23	metacarpophalangeal joints	29,160.00
24	Of thumb at metacarpophalangeal joint or	
25	with resection of carpometacarpal	
26	bone	19,440.00
27	Of thumb at interphalangeal joint	9,720.00
28	Of index finger at metacarpophalangeal	
29	joint or with resection of metacarpal	
30	bone	12,150.00
31	Of index finger at proximal	
32	interphalangeal joint	9,720.00
33	Of index finger at distal interphalangeal	
34	joint	5,346.00
35	Of middle finger at metacarpophalangeal	
36	joint or with resection of metacarpal	
37	bone	9,720.00

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1	Of middle finger at proximal	
2	interphalangeal joint	7,776.00
3	Of middle finger at distal interphalangeal	
4	joint	4,374.00
5	Of ring finger at metacarpophalangeal	
6	joint or with resection of metacarpal	
7	bone	4,860.00
8	Of ring finger at proximal interphalangeal	
9	joint	3,888.00
10	Of ring finger at distal interphalangeal	
11	joint	2,430.00
12	Of little finger at metacarpophalangeal	
13	joint or with resection of metacarpal	
14	bone	2,430.00
15	Of little finger at proximal interphalangeal	
16	joint	1,944.00
17	Of little finger at distal interphalangeal	
18	joint	972.00
19	MISCELLANEOUS	
20	Loss of one eye by enucleation	21,600.00
21	Loss of central visual acuity in one eye	18,000.00
22	Complete loss of hearing in both ears	43,200.00
23	Complete loss of hearing in one ear	7,200.00

- (b) Beginning on July 1, 1993, compensation under this subsection shall be computed as follows:
- (i) Beginning on July 1, 1993, the compensation amounts for the specified disabilities listed in (a) of this subsection shall be increased by thirty-two percent; ((and))
- (ii) Beginning on July 1, 1994, and ((each July 1 thereafter)) ending on June 30, 2005, the compensation amounts for the specified disabilities listed in (a) of this subsection, as adjusted under (b)(i) of this subsection, shall be readjusted to reflect the percentage change in the consumer price index, calculated as follows: The index for the calendar year preceding the year in which the July calculation is made, to be known as "calendar year A," is divided by the index for the calendar year preceding calendar year A, and the resulting ratio is multiplied by the compensation amount in effect on June 30 immediately

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preceding the July 1st on which the respective calculation is made. For the purposes of this subsection, "index" means the same as the definition in RCW 2.12.037(1); and

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- (iii) Beginning on July 1, 2005, and each July 1st thereafter, the compensation amounts of the specified disabilities listed in (a) of this subsection, as adjusted under (b)(ii) of this subsection, shall be adjusted to account for inflation.
- (2) Compensation for amputation of a member or part thereof at a site other than those specified in subsection (1) of this section, and for loss of central visual acuity and loss of hearing other than complete, shall be in proportion to that which such other amputation or partial loss of visual acuity or hearing most closely resembles and approximates. Compensation shall be calculated based on the adjusted schedule of compensation in effect for the respective time period as prescribed in subsection (1) of this section.
- (3)(a) Compensation for any other permanent partial disability not involving amputation shall be in the proportion which the extent of such other disability, called unspecified disability, shall bear to the disabilities specified in subsection (1) of this section, which most closely resembles and approximates in degree of disability such other disability, and compensation for any other unspecified permanent partial disability shall be in an amount as measured and compared to total bodily impairment. To reduce litigation and establish more certainty and uniformity in the rating of unspecified permanent partial disabilities, the department shall enact rules having the force of law classifying such disabilities in the proportion which the department shall determine such disabilities reasonably bear to total bodily In enacting such rules, the department shall give impairment. consideration to, but need not necessarily adopt, any nationally recognized medical standards or guides for determining various bodily impairments.
- (b) Until July 1, 1993, for purposes of calculating monetary benefits under (a) of this subsection, the amount payable for total bodily impairment shall be deemed to be ninety thousand dollars. Beginning on July 1, 1993, for purposes of calculating monetary benefits under (a) of this subsection, the amount payable for total bodily impairment shall be adjusted as follows:

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(i) Beginning on July 1, 1993, the amount payable for total bodily impairment under this section shall be increased to one hundred eighteen thousand eight hundred dollars; ((and))

- (ii) Beginning on July 1, 1994, and ((each July 1 thereafter)) ending on June 30, 2005, the amount payable for total bodily impairment prescribed in (b)(i) of this subsection shall be adjusted as provided in subsection (1)(b)(ii) of this section; and
- (iii) Beginning on July 1, 2005, and each July 1st thereafter, the amount payable for total bodily impairment prescribed in (b)(i) of this subsection shall be adjusted as provided in subsection (1)(b)(iii) of this section.
- (c) Until July 1, 1993, the total compensation for all unspecified permanent partial disabilities resulting from the same injury shall not exceed the sum of ninety thousand dollars. Beginning on July 1, 1993, total compensation for all unspecified permanent partial disabilities resulting from the same injury shall not exceed a sum calculated as follows:
- (i) Beginning on July 1, 1993, the sum shall be increased to one hundred eighteen thousand eight hundred dollars; ((and))
- (ii) Beginning on July 1, 1994, and ((each July 1 thereafter)) ending on June 30, 2005, the sum prescribed in (b)(i) of this subsection shall be adjusted as provided in subsection (1)(b)(ii) of this section; and
- (iii) Beginning on July 1, 2005, and each July 1st thereafter, the sum prescribed in (b)(i) of this subsection shall be adjusted as provided in subsection (1)(b)(iii) of this section.
- (4) If permanent partial disability compensation is followed by permanent total disability compensation, any portion of the permanent partial disability compensation which exceeds the amount that would have been paid the injured worker if permanent total disability compensation had been paid in the first instance, shall be deducted from the pension reserve of such injured worker and his or her monthly compensation payments shall be reduced accordingly.
- (5) Should a worker receive an injury to a member or part of his or her body already, from whatever cause, permanently partially disabled, resulting in the amputation thereof or in an aggravation or increase in such permanent partial disability but not resulting in the permanent total disability of such worker, his or her compensation for such

partial disability shall be adjudged with regard to the previous disability of the injured member or part and the degree or extent of the aggravation or increase of disability thereof.

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- (6) When the compensation provided for in subsections (1) through 4 5 (3) of this section exceeds three times the average monthly wage in the state as computed under the provisions of RCW 51.08.018, payment shall 6 7 be made in monthly payments in accordance with the schedule of temporary total disability payments set forth in RCW 51.32.090 until 8 9 such compensation is paid to the injured worker in full, except that 10 the first monthly payment shall be in an amount equal to three times the average monthly wage in the state as computed under the provisions 11 of RCW 51.08.018, and interest shall be paid at the rate of eight 12 13 percent on the unpaid balance of such compensation commencing with the 14 second monthly payment. However, upon application of the injured worker or survivor the monthly payment may be converted, in whole or in 15 part, into a lump sum payment, in which event the monthly payment shall 16 17 cease in whole or in part. Such conversion may be made only upon written application of the injured worker or survivor to the department 18 and shall rest in the discretion of the department depending upon the 19 merits of each individual application. Upon the death of a worker all 20 21 unpaid installments accrued shall be paid according to the payment 22 schedule established prior to the death of the worker to the widow or widower, or if there is no widow or widower surviving, to the dependent 23 24 children of such claimant, and if there are no such dependent children, 25 then to such other dependents as defined by this title.
- 26 (7) Awards payable under this section are governed by the schedule 27 in effect on the date of injury.
- 28 **Sec. 9.** RCW 51.32.090 and 2004 c 65 s 9 are each amended to read 29 as follows:
 - (1) When the total disability is only temporary, the schedule of payments contained in RCW 51.32.060 (1) ((and)) or (2) and (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

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providing for support of such child or children. This subsection does not apply to claims filed on or after July 1, 2005.

- (3)(a) As soon as recovery is so complete that the worker is capable of gainful employment on a reasonably continuous basis and 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 and the worker is working, the payments shall:
- (i) For claims for injuries that occurred before May 7, 1993, continue in the proportion which the new earning power shall bear to the old; or
- (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.
- (c) The injured worker remains eligible for the benefits provided in this subsection only until the injured worker's condition is medically fixed and stable.
- (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 or licensed advanced registered nurse practitioner as able to perform available work other than his or her usual work, the employer shall furnish to the physician or licensed advanced registered nurse practitioner, with a copy to the worker, a statement describing the work available with the employer of injury in terms that will enable the physician or licensed advanced registered nurse practitioner to relate the physical activities of the job to the worker's disability. The physician or licensed advanced registered nurse practitioner 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 or licensed advanced registered nurse practitioner for the work, and begins the work with the employer of If the work thereafter comes to an end before the worker's recovery is sufficient in the judgment of his or her physician or licensed advanced registered nurse practitioner 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 or licensed advanced registered nurse practitioner 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 or licensed advanced registered nurse practitioner.

- (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

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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)) (a) For claims with date of injury or manifestation of occupational disease before July 1, 2005, the monthly payments provided in this section may not exceed the applicable percentage of the average monthly wage in the state as computed under the provisions of RCW 51.08.018 as follows:

10	AFTER	PERCENTAGE
11	June 30, 1993	105%
12	June 30, 1994	110%
13	June 30, 1995	115%
14	June 30, 1996	120%

- (b) On July 1, 2005, and on each July 1st thereafter, the department shall determine the maximum amount of the monthly payment provided in this section for claims with date of injury or manifestation of occupational disease in the twelve-month period beginning on the date of the department's determination. The department shall determine the maximum amount for the twelve-month period beginning on July 1st of each year by adjusting the maximum amount for the previous twelve-month period by the rate of inflation.
- (8) If the supervisor of industrial insurance determines that the worker is voluntarily retired and is no longer attached to the work force, benefits shall not be paid under this section.
- **Sec. 10.** RCW 51.32.090 and 1993 c 521 s 3, 1993 c 299 s 1, and 1993 c 271 s 1 are each reenacted and amended to read as follows:
 - (1) When the total disability is only temporary, the schedule of payments contained in RCW 51.32.060 (1) ((and)) or (2) and (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 claims filed on or after July 1, 2005.

- (3)(a) As soon as recovery is so complete that the worker is capable of gainful employment on a reasonably continuous basis and 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 and the worker is working, the payments shall:
- (i) For claims for injuries that occurred before May 7, 1993, continue in the proportion which the new earning power shall bear to the old; or
- (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.
- (c) The injured worker remains eligible for the benefits provided in this subsection only until the injured worker's condition is medically fixed and stable.
- (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

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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.

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- (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)) (a) For claims with date of injury or manifestation of occupational disease before July 1, 2005, the monthly

payments provided in this section <u>may not</u> 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%

- (b) On July 1, 2005, and on each July 1st thereafter, the department shall determine the maximum amount of the monthly payment provided in this section for claims with date of injury or manifestation of occupational disease in the twelve-month period beginning on the date of the department's determination. The department shall determine the maximum amount for the twelve-month period beginning on July 1st of each year by adjusting the maximum amount for the previous twelve-month period by the rate of inflation.
- (8) If the supervisor of industrial insurance determines that the worker is voluntarily retired and is no longer attached to the work force, benefits shall not be paid under this section.
- **Sec. 11.** RCW 51.32.095 and 2004 c 65 s 10 are each amended to read 21 as follows:
 - (1) One of the primary purposes of this title is to enable the injured worker to become employable at gainful employment. To this end, the department or self-insurers shall utilize the services of individuals and organizations, public or private, whose experience, training, and interests in vocational rehabilitation and retraining qualify them to lend expert assistance to the supervisor of industrial insurance in such programs of vocational rehabilitation as may be reasonable to make the worker employable consistent with his or her physical and mental status. Where, after evaluation and recommendation by such individuals or organizations and prior to final evaluation of the worker's permanent disability and in the sole opinion of the supervisor or supervisor's designee, whether or not medical treatment has been concluded, vocational rehabilitation is both necessary and likely to enable the injured worker to become employable at gainful

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- employment, the supervisor or supervisor's designee may, in his or her sole discretion, pay or, if the employer is a self-insurer, direct the self-insurer to pay the cost as provided in subsection (3) of this section.
 - (2) When in the sole discretion of the supervisor or the supervisor's designee vocational rehabilitation is both necessary and likely to make the worker employable at gainful employment, then the following order of priorities shall be used:
 - (a) Return to the previous job with the same employer;

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- 10 (b) Modification of the previous job with the same employer 11 including transitional return to work;
- 12 (c) A new job with the same employer in keeping with any limitations or restrictions;
- 14 (d) Modification of a new job with the same employer including 15 transitional return to work;
 - (e) Modification of the previous job with a new employer;
 - (f) A new job with a new employer or self-employment based upon transferable skills;
 - (g) Modification of a new job with a new employer;
- 20 (h) A new job with a new employer or self-employment involving on-21 the-job training;
 - (i) Short-term retraining and job placement.
 - (3)(a) Except as provided in (b) of this subsection, costs for vocational rehabilitation benefits allowed by the supervisor or supervisor's designee under subsection (1) of this section may include the cost of books, tuition, fees, supplies, equipment, transportation, child or dependent care, and other necessary expenses for any such worker in an amount not to exceed three thousand dollars in any fifty-two week period ((except as authorized by RCW 51.60.060)), and the cost of continuing the temporary total disability compensation under RCW 51.32.090 while the worker is actively and successfully undergoing a formal program of vocational rehabilitation.
 - (b) Beginning with vocational rehabilitation plans approved on or after July 1, 1999, costs for vocational rehabilitation benefits allowed by the supervisor or supervisor's designee under subsection (1) of this section may include the cost of books, tuition, fees, supplies, equipment, child or dependent care, and other necessary expenses for any such worker in an amount not to exceed ((four)) five thousand

dollars in any fifty-two week period ((except as authorized by RCW 51.60.060)), and the cost of transportation and continuing the temporary total disability compensation under RCW 51.32.090 while the worker is actively and successfully undergoing a formal program of vocational rehabilitation.

- (c) The expenses allowed under (a) or (b) of this subsection may include training fees for on-the-job training and the cost of furnishing tools and other equipment necessary for self-employment or reemployment. However, compensation or payment of retraining with job placement expenses under (a) or (b) of this subsection may not be authorized for a period of more than fifty-two weeks, except that such period may, in the sole discretion of the supervisor after his or her review, be extended for an additional fifty-two weeks or portion thereof by written order of the supervisor.
- (d) In cases where the worker is required to reside away from his or her customary residence, the reasonable cost of board and lodging shall also be paid.
- (e) Costs paid under this subsection shall be chargeable to the employer's cost experience or shall be paid by the self-insurer as the case may be.
- (4) In addition to the vocational rehabilitation expenditures provided for under subsection (3) of this section, an additional five thousand dollars may, upon authorization of the supervisor or the supervisor's designee, be expended for: (a) Accommodations for an injured worker that are medically necessary for the worker to participate in an approved retraining plan; and (b) accommodations necessary to perform the essential functions of an occupation in which an injured worker is seeking employment, consistent with the retraining plan or the recommendations of a vocational evaluation. The injured worker's attending physician or licensed advanced registered nurse practitioner must verify the necessity of the modifications or accommodations. The total expenditures authorized in this subsection and the expenditures authorized under RCW 51.32.250 shall not exceed five thousand dollars.
- (5) The department shall establish criteria to monitor the quality and effectiveness of rehabilitation services provided by the individuals and organizations used under subsection (1) of this

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section. The state fund shall make referrals for vocational rehabilitation services based on these performance criteria.

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- (6) The department shall engage in, where feasible and costeffective, a cooperative program with the state employment security department to provide job placement services under this section.
- (7) The benefits in this section shall be provided for the injured workers of self-insured employers. Self-insurers shall report both benefits provided and benefits denied under this section in the manner prescribed by the department by rule adopted under chapter 34.05 RCW. The director may, in his or her sole discretion and upon his or her own initiative or at any time that a dispute arises under this section, promptly make such inquiries as circumstances require and take such other action as he or she considers will properly determine the matter and protect the rights of the parties.
- (8) Except as otherwise provided in this section, the benefits provided for in this section are available to any otherwise eligible worker regardless of the date of industrial injury. However, claims shall not be reopened solely for vocational rehabilitation purposes.

19 **Sec. 12.** RCW 51.32.095 and 1999 c 110 s 1 are each amended to read 20 as follows:

(1) One of the primary purposes of this title is to enable the injured worker to become employable at gainful employment. end, the department or self-insurers shall utilize the services of individuals and organizations, public or private, whose experience, training, and interests in vocational rehabilitation and retraining qualify them to lend expert assistance to the supervisor of industrial insurance in such programs of vocational rehabilitation as may be reasonable to make the worker employable consistent with his or her physical and mental status. Where, after evaluation and recommendation by such individuals or organizations and prior to final evaluation of the worker's permanent disability and in the sole opinion of the supervisor or supervisor's designee, whether or not medical treatment has been concluded, vocational rehabilitation is both necessary and likely to enable the injured worker to become employable at gainful employment, the supervisor or supervisor's designee may, in his or her sole discretion, pay or, if the employer is a self-insurer, direct the

- self-insurer to pay the cost as provided in subsection (3) of this section.
 - (2) When in the sole discretion of the supervisor or the supervisor's designee vocational rehabilitation is both necessary and likely to make the worker employable at gainful employment, then the following order of priorities shall be used:
 - (a) Return to the previous job with the same employer;

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- 8 (b) Modification of the previous job with the same employer 9 including transitional return to work;
- 10 (c) A new job with the same employer in keeping with any limitations or restrictions;
- 12 (d) Modification of a new job with the same employer including 13 transitional return to work;
 - (e) Modification of the previous job with a new employer;
- 15 (f) A new job with a new employer or self-employment based upon 16 transferable skills;
 - (g) Modification of a new job with a new employer;
 - (h) A new job with a new employer or self-employment involving onthe-job training;
 - (i) Short-term retraining and job placement.
 - (3)(a) Except as provided in (b) of this subsection, costs for vocational rehabilitation benefits allowed by the supervisor or supervisor's designee under subsection (1) of this section may include the cost of books, tuition, fees, supplies, equipment, transportation, child or dependent care, and other necessary expenses for any such worker in an amount not to exceed three thousand dollars in any fifty-two week period ((except as authorized by RCW 51.60.060)), and the cost of continuing the temporary total disability compensation under RCW 51.32.090 while the worker is actively and successfully undergoing a formal program of vocational rehabilitation.
 - (b) Beginning with vocational rehabilitation plans approved on or after July 1, 1999, costs for vocational rehabilitation benefits allowed by the supervisor or supervisor's designee under subsection (1) of this section may include the cost of books, tuition, fees, supplies, equipment, child or dependent care, and other necessary expenses for any such worker in an amount not to exceed ((four)) five thousand dollars in any fifty-two week period ((except as authorized by RCW 51.60.060)), and the cost of transportation and continuing the

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temporary total disability compensation under RCW 51.32.090 while the worker is actively and successfully undergoing a formal program of vocational rehabilitation.

- (c) The expenses allowed under (a) or (b) of this subsection may include training fees for on-the-job training and the cost of furnishing tools and other equipment necessary for self-employment or reemployment. However, compensation or payment of retraining with job placement expenses under (a) or (b) of this subsection may not be authorized for a period of more than fifty-two weeks, except that such period may, in the sole discretion of the supervisor after his or her review, be extended for an additional fifty-two weeks or portion thereof by written order of the supervisor.
- (d) In cases where the worker is required to reside away from his or her customary residence, the reasonable cost of board and lodging shall also be paid.
- (e) Costs paid under this subsection shall be chargeable to the employer's cost experience or shall be paid by the self-insurer as the case may be.
- (4) In addition to the vocational rehabilitation expenditures provided for under subsection (3) of this section, an additional five thousand dollars may, upon authorization of the supervisor or the supervisor's designee, be expended for: (a) Accommodations for an injured worker that are medically necessary for the worker to participate in an approved retraining plan; and (b) accommodations necessary to perform the essential functions of an occupation in which an injured worker is seeking employment, consistent with the retraining plan or the recommendations of a vocational evaluation. The injured worker's attending physician must verify the necessity of the modifications or accommodations. The total expenditures authorized in this subsection and the expenditures authorized under RCW 51.32.250 shall not exceed five thousand dollars.
- (5) The department shall establish criteria to monitor the quality and effectiveness of rehabilitation services provided by the individuals and organizations used under subsection (1) of this section. The state fund shall make referrals for vocational rehabilitation services based on these performance criteria.
- 37 (6) The department shall engage in, where feasible and cost-

effective, a cooperative program with the state employment security department to provide job placement services under this section.

- (7) The benefits in this section shall be provided for the injured workers of self-insured employers. Self-insurers shall report both benefits provided and benefits denied under this section in the manner prescribed by the department by rule adopted under chapter 34.05 RCW. The director may, in his or her sole discretion and upon his or her own initiative or at any time that a dispute arises under this section, promptly make such inquiries as circumstances require and take such other action as he or she considers will properly determine the matter and protect the rights of the parties.
- (8) Except as otherwise provided in this section, the benefits provided for in this section are available to any otherwise eligible worker regardless of the date of industrial injury. However, claims shall not be reopened solely for vocational rehabilitation purposes.
- **Sec. 13.** RCW 51.36.020 and 1999 c 395 s 1 are each amended to read 17 as follows:
 - (1) When the injury to any worker is so serious as to require his or her being taken from the place of injury to a place of treatment, his or her employer shall, at the expense of the medical aid fund, or self-insurer, as the case may be, furnish transportation to the nearest place of proper treatment.
 - (2) Every worker whose injury results in the loss of one or more limbs or eyes shall be provided with proper artificial substitutes and every worker, who suffers an injury to an eye producing an error of refraction, shall be once provided proper and properly equipped lenses to correct such error of refraction and his or her disability rating shall be based upon the loss of sight before correction.
 - (3) Every worker whose accident results in damage to or destruction of an artificial limb, eye, or tooth, shall have same repaired or replaced.
 - (4) Every worker whose hearing aid or eyeglasses or lenses are damaged, destroyed, or lost as a result of an industrial accident shall have the same restored or replaced. The department or self-insurer shall be liable only for the cost of restoring damaged hearing aids or eyeglasses to their condition at the time of the accident.

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(5) All mechanical appliances necessary in the treatment of an injured worker, such as braces, belts, casts, and crutches, shall be provided and all mechanical appliances required as permanent equipment after treatment has been completed shall continue to be provided or replaced without regard to the date of injury or date treatment was completed, notwithstanding any other provision of law.

- (6) A worker, whose injury is of such short duration as to bring him or her within the time limit provisions of RCW 51.32.090, shall nevertheless receive during the omitted period medical, surgical, and hospital care and service and transportation under the provisions of this chapter.
- (7) Whenever in the sole discretion of the supervisor it is reasonable and necessary to provide residence modifications necessary to meet the needs and requirements of the worker who has sustained catastrophic injury, the department or self-insurer may be ordered to pay an amount <u>determined as follows:</u>
- (b) On July 1, 2005, and on each July 1st thereafter, the department shall determine the maximum amount provided in this subsection for requests for residence modifications received in the twelve-month period beginning on the date of the department's determination. The department shall determine the maximum amount for the twelve-month period beginning on July 1st by adjusting the maximum amount for the previous twelve-month period by the rate of inflation. Payment shall ((only)) be made under this subsection only for the construction or modification of a residence in which the injured worker resides. Only one residence of any worker may be modified or constructed under this subsection, although the supervisor may order more than one payment for any one home, up to the maximum amount permitted by this section.
- (8)(a) Whenever in the sole discretion of the supervisor it is reasonable and necessary to modify a motor vehicle owned by a worker who has become an amputee or becomes paralyzed because of an industrial

1 injury, the supervisor may <u>pay or order a self-insurer to pay as</u> 2 follows:

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- (i) For requests for motor vehicle modifications received before July 1, 2005, up to fifty percent of the state's average annual wage for one year, as determined under RCW 50.04.355((, to be paid by the department or self insurer)) toward the costs thereof.
- (ii) On July 1, 2005, and on each July 1st thereafter, the department shall determine the maximum amount provided in this subsection for requests for motor vehicle modifications received in the twelve-month period beginning on the date of the department's determination. The department shall determine the maximum amount for the twelve-month period beginning on July 1st by adjusting the maximum amount for the previous twelve-month period by the rate of inflation.
- 14 (b) In the sole discretion of the supervisor after his or her 15 review, the amount paid under this subsection may be increased by no 16 more than four thousand dollars by written order of the supervisor.
- 17 (9) The benefits provided by subsections (7) and (8) of this 18 section are available to any otherwise eligible worker regardless of 19 the date of industrial injury.
- NEW SECTION. Sec. 14. A new section is added to chapter 51.08 RCW to read as follows:
- The department may adopt rules necessary to implement section 2 of this act.
- NEW SECTION. Sec. 15. A new section is added to chapter 51.32 RCW to read as follows:
- The department may adopt rules necessary to implement sections 9 and 10 of this act.
- NEW SECTION. Sec. 16. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2005, except for sections 10 and 12 of this act which take effect June 30, 2007.

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- NEW SECTION. Sec. 17. Sections 9 and 11 of this act expire June 30, 2007.
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