

SENATE BILL REPORT

SHB 2441

As of February 26, 2016

Title: An act relating to the social security offset to disability compensation.

Brief Description: Restricting the social security offset to disability compensation.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Kirby, Sells and S. Hunt).

Brief History: Passed House: 2/16/16, 53-44.

Committee Activity: Commerce & Labor:

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Susan Jones (786-7404)

Background: Federal and state laws address the coordination of benefits under social security and industrial insurance. Federal law limits the combined total of social security disability and industrial insurance disability benefits to 80 percent of average current earnings before the worker's disability. Washington workers' compensation laws provide for an offset, or reduction of workers' compensation pension or time-loss benefits, if an individuals' combined benefit is over the 80 percent cap.

Washington workers' compensation laws also provide for an offset of pension and time-loss benefits by social security retirement benefits. The Department of Labor and Industries uses a formula that is very similar to the formula for combined social security disability and industrial insurance benefits to adjust the pension or time-loss benefits of a worker who is also receiving social security retirement benefits.

Summary of Bill: The pension and time-loss offset for social security retirement benefits does not apply to workers who were receiving or had applied to receive social security retirement benefits prior to the date of their injury. The change applies to claims with dates of injury on or after the effective date.

Appropriation: None.

Fiscal Note: Available.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.