

# SENATE BILL REPORT

## SB 6270

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As of January 23, 2018

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

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

**Sponsors:** Senators Conway, Keiser, Hasegawa and Saldaña.

**Brief History:**

**Committee Activity:** Labor & Commerce: 1/22/18.

**Brief Summary of Bill**

- Eliminates the Social Security retirement offset for injured workers who either were receiving, or had applied to receive, Social Security benefits before being injured.

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### SENATE COMMITTEE ON LABOR & COMMERCE

**Staff:** Jarrett Sacks (786-7448)

**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

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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:** Requested on January 16, 2018.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill helps people that are injured after their retirement. People are working later in life while receiving social security, but if they are injured on the job, their benefits are reduced. Grocery stores are a common place for retirees to re-enter the workforce if they do not have enough saved for retirement, but the current law reduces the benefits of people who already do not have enough money to retire.

CON: This bill is the beginning of removing the whole social security offset, as many other states have. The cost of removing the whole offset would be very high.

**Persons Testifying:** PRO: Senator Steve Conway, Prime Sponsor; David Lauman, Washington State Association For Justice; Samantha Grad, UFCW 21.

CON: Bob Battles, AWB.

**Persons Signed In To Testify But Not Testifying:** No one.