

HOUSE BILL REPORT

HB 1246

As Passed Legislature

Title: An act relating to employee compensation and benefits during return to work.

Brief Description: Revising provisions for maintaining employee benefits for temporarily disabled workers.

Sponsors: Representatives G. Cole, Heavey, King, Franklin, Jones, Veloria and Johanson.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 17, 1993, DP;
Passed House, March 11, 1993, 70-28;
Amended by Senate;
Passed Legislature, April 20, 1993, 69-28.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 6 members:
Representatives Heavey, Chair; G. Cole, Vice Chair; Conway;
King; Springer; and Veloria.

Minority Report: Do not pass. Signed by 3 members:
Representatives Lisk, Ranking Minority Member; Chandler,
Assistant Ranking Minority Member; and Horn.

Staff: Chris Cordes (786-7117).

Background: The Industrial Insurance Act allows an employer to provide a light or modified job to an injured worker while the worker is recovering from his or her injury. The light duty job must be approved by the worker's physician. If the worker returns to a job paying less than 95 percent of the worker's wages at injury, the worker is entitled to partial benefits that are paid in proportion to the worker's loss of earning power. The statute does not address the worker's right to fringe benefits while in the light duty position.

Summary of Bill: If an injured worker is returned to work at light or modified duty during the period in which the worker is unable to return to his or her regular job, the employer must continue or resume the health and welfare benefits to which the worker was entitled at the time of

injury. However, the benefits will not be continued or resumed if that would be inconsistent with the terms of the benefit program or an applicable collective bargaining agreement.

The procedures for requesting light or modified duty are clarified. The request must be from the employer of injury and the work must be available with the employer of injury. The worker's temporary disability compensation must continue until the worker is released by the attending physician to the job and begins work.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1993.

Testimony For: When a worker returns to light duty, he or she will receive partial compensation for loss of earning power, but this compensation does not cover health and welfare benefits that the worker received on the job before the injury. It is important to create incentives for workers to return to employment after an injury. Continuing the worker's eligibility for health benefits is one way to encourage the workers return to work.

Testimony Against: Whether a worker receives fringe benefits is usually covered in a collective bargaining agreement. It is not appropriate for the Legislature to determine a matter that can be negotiated between the parties. In addition, many health insurance contracts require a worker to be employed a certain number of hours before they can be covered under the contract. This bill's requirements may be in conflict with many health insurance policies.

Witnesses: (Pro): Jeff Johnson, Washington State Labor Council; and Bob Dilger, Washington Building and Construction Trades Council. (Con): Gary Smith, Independent Business Association; and Clif Finch, Association of Washington Business.