
SENATE BILL 5677

State of Washington 60th Legislature 2007 Regular Session

By Senators Murray, Kohl-Welles, Keiser, Prentice, Hatfield and Kline

Read first time 01/29/2007. Referred to Committee on Labor,
Commerce, Research & Development.

1 AN ACT Relating to adjustments to industrial insurance total
2 disability compensation reductions; and amending RCW 51.32.220.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 51.32.220 and 2005 c 198 s 1 are each amended to read
5 as follows:

6 (1) For persons receiving compensation for temporary or permanent
7 total disability pursuant to the provisions of this chapter, such
8 compensation shall be reduced by an amount equal to the benefits
9 payable under the federal old-age, survivors, and disability insurance
10 act as now or hereafter amended not to exceed the amount of the
11 reduction established pursuant to 42 U.S.C. Sec. 424a. However, such
12 reduction shall not apply when the combined compensation provided
13 pursuant to this chapter and the federal old-age, survivors, and
14 disability insurance act is less than the total benefits to which the
15 federal reduction would apply, pursuant to 42 U.S.C. 424a. Where any
16 person described in this section refuses to authorize the release of
17 information concerning the amount of benefits payable under said
18 federal act the department's estimate of said amount shall be deemed to

1 be correct unless and until the actual amount is established and no
2 adjustment shall be made for any period of time covered by any such
3 refusal.

4 (2) Any reduction under subsection (1) of this section shall be
5 effective the month following the month in which the department or
6 self-insurer is notified by the federal social security administration
7 that the person is receiving disability benefits under the federal old-
8 age, survivors, and disability insurance act: PROVIDED, That in the
9 event of an overpayment of benefits the department or self-insurer may
10 not recover more than the overpayments for the six months immediately
11 preceding the date the department or self-insurer notifies the worker
12 that an overpayment has occurred: PROVIDED FURTHER, That upon
13 determining that there has been an overpayment, the department or self-
14 insurer shall immediately notify the person who received the
15 overpayment that he or she shall be required to make repayment pursuant
16 to this section and RCW 51.32.230.

17 (3) Recovery of any overpayment must be taken from future temporary
18 or permanent total disability benefits or permanent partial disability
19 benefits provided by this title. In the case of temporary or permanent
20 total disability benefits, the recovery shall not exceed twenty-five
21 percent of the monthly amount due from the department or self-insurer
22 or one-sixth of the total overpayment, whichever is the lesser.

23 (4) No reduction may be made unless the worker receives notice of
24 the reduction prior to the month in which the reduction is made.

25 (5) In no event shall the reduction reduce total benefits to less
26 than the greater amount the worker may be entitled to under this title
27 or the federal old-age, survivors, and disability insurance act.

28 (6) The director, pursuant to rules adopted in accordance with the
29 procedures provided in the administrative procedure act, chapter 34.05
30 RCW, may exercise his or her discretion to waive, in whole or in part,
31 the amount of any overpayment where the recovery would be against
32 equity and good conscience.

33 (7) Subsection (1) of this section applies to:

34 (a) Workers under the age of sixty-two whose effective entitlement
35 to total disability compensation begins before January 2, 1983;

36 (b) Workers under the age of sixty-five whose effective entitlement
37 to total disability compensation begins after January 1, 1983; and

1 (c) Workers who will become sixty-five years of age on or after
2 June 10, 2004.

3 (8)(a) If the federal social security administration makes a
4 retroactive reduction in the federal social security disability benefit
5 entitlement of a worker for periods of temporary total, temporary
6 partial, or total permanent disability for which the department or
7 self-insurer also reduced the worker's benefit amounts under this
8 section, the department or self-insurer, as the case may be, shall make
9 adjustments in the calculation of benefits and pay the additional
10 benefits to the worker as appropriate. However, the department or
11 self-insurer shall not make changes in the calculation or pay
12 additional benefits unless the worker submits a written request, along
13 with documentation satisfactory to the director of an overpayment
14 assessment by the social security administration, to the department or
15 self-insurer, as the case may be.

16 (b) Additional benefits paid under this subsection:

17 (i) Are paid without interest and without regard to whether the
18 worker's claim under this title is closed; and

19 (ii) Do not affect the status or the date of the claim's closure.

20 (c) This subsection (~~((applies only to requests for adjustments that~~
21 ~~are submitted before July 1, 2007, and))~~) does not apply to requests on
22 claims for which a determination on the request has been made and is
23 not subject to further appeal.

24 (~~((d) By December 1, 2006, the department must report to the~~
25 ~~appropriate committees of the legislature concerning the benefit~~
26 ~~adjustments authorized in this subsection and must include information~~
27 ~~about similar benefit adjustments, if any, authorized in other states~~
28 ~~with social security disability benefit offset requirements. The~~
29 ~~report must include recommendations on whether additional statutory~~
30 ~~changes might be warranted in light of the actions of the federal~~
31 ~~social security administration.))~~)

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