

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 1278
Economic Matters

(Delegate Cadden)

Finance

**Workers' Compensation - Credit Against Payment of Permanent Partial
Disability Awards After Appeal**

This bill provides that, if an award of permanent partial disability under the State's workers' compensation laws is reversed or modified by a court on appeal, the payment of any new compensation awarded will be subject to a credit for compensation previously awarded and paid.

Fiscal Summary

State Effect: Potential minimal decrease in workers' compensation costs to the extent payments are reduced as a result of the bill.

Local Effect: Potential minimal decrease in workers' compensation costs to the extent payments are reduced as a result of the bill.

Small Business Effect: Potential minimal.

Analysis

Current Law: The Workers' Compensation Commission may order an offset or credit against an award for permanent partial disability benefits to a covered employee for: (1) temporary total disability benefits previously paid; or (2) vocational rehabilitation benefits previously provided. The commission may order reimbursement to an employer from an individual who knowingly obtains benefits to which the individual was not entitled.

Background: In *Philip Electronics North America v. Wright*, 348 Md. 209 (1997), the Court of Appeals held that an employer was entitled to a credit for the number of weeks of benefits actually paid, rejecting a “total monetary sum” theory in a permanent partial disability award.

Additional Information

Prior Introductions: None.

Cross File: SB 877 (Senator Astle) – Finance.

Information Source(s): Injured Workers’ Insurance Fund, Subsequent Injury Fund, Uninsured Employers’ Fund, Workers’ Compensation Commission, Department of Legislative Services

Fiscal Note History: First Reader – March 2, 2001
cm/jr

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