Department of Legislative Services

Maryland General Assembly 2014 Session

FISCAL AND POLICY NOTE

House Bill 1051 Economic Matters (Baltimore County Delegation)

Finance

Workers' Compensation - Baltimore County Deputy Sheriff

This bill alters the definition of "public safety employee" to include a Baltimore County deputy sheriff, making these officers eligible for enhanced workers' compensation benefits.

The bill must be construed to apply only prospectively and may not be applied or interpreted to have any effect on, or application to, any claims arising before the bill's October 1, 2014 effective date.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: Baltimore County expenditures increase, perhaps significantly, due to the designation of deputy sheriffs as public safety employees, making them eligible for enhanced workers' compensation benefits.

Small Business Effect: None.

Analysis

Current Law/Background: Normally an employee who is awarded compensation for a period less than 75 weeks is eligible to receive weekly benefits of one-third of his or her average weekly wage, not to exceed 16.7% of the State average weekly wage (\$167 in 2014). Public safety employees are eligible for enhanced workers' compensation benefits if they are awarded compensation for fewer than 75 weeks. The employer or its insurer must pay the public safety employee at a compensation rate set for an award period of greater than 75 weeks but less than 250 weeks. In this situation, an employee is eligible to receive weekly benefits of two-thirds of his or her average weekly wage, not to exceed

one-third of the State average weekly wage (\$333 in 2014). The State average weekly wage for 2014 is \$998.

Public safety employees in the State include specified firefighters, paramedics, life support workers, and police officers, as well as correctional officers and deputy sheriffs in certain jurisdictions.

Baltimore County reports that there are currently 69 deputy sheriffs employed in the county. Baltimore County also reports that compensation claims from deputy sheriffs vary greatly from year to year; there were 18 claims in 2009, 7 claims in 2010, 10 claims in 2011, 1 claim in 2012, and 6 claims in 2013. This averages to approximately 8.4 claims per year.

Local Expenditures: Baltimore County expenditures increase, perhaps significantly, due to the enhanced benefits for deputy sheriffs; however, the number of deputy sheriff claimants who will receive workers' compensation benefits in any given year cannot be reliably estimated, given the wide range of claims from year to year.

For illustrative purposes, it is assumed that nine additional claims will occur in fiscal 2015 for deputy sheriffs, and the nine claimants will receive the maximum benefit possible (\$333 per week) for an average of 39 weeks. Under the bill, Baltimore County expenditures would be \$116,883 to pay the weekly benefits to these claimants. However, if the nine claimants were not entitled to enhanced compensation benefits (\$167 per week maximum), Baltimore County expenditures would be \$58,617 to pay weekly benefits. Under these circumstances, the enhanced compensation benefits would result in \$58,266 in increased expenditures in fiscal 2015.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore County, Injured Workers' Insurance Fund/Chesapeake Employers' Insurance Commission, Workers' Compensation Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 2, 2014 ncs/ljm

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