

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 443
Finance

(Senator Klausmeier)

Workers' Compensation - Discharge of Employee - Prohibition

This bill prohibits an employer from discharging a covered employee from employment if the covered employee's filing of a workers' compensation claim is any part of the reason, instead of the sole reason, for the discharge. Existing penalties related to the discharge of a covered employee continue to apply.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Chesapeake Employers' Insurance Company (Chesapeake) Effect: The bill is not anticipated to materially affect Chesapeake's operations or finances.

Local Effect: The bill is not anticipated to materially affect local governmental operations or finances.

Small Business Effect: Potential minimal.

Analysis

Current Law: All employers in Maryland are required to provide workers' compensation coverage for their employees. The cost to the employer varies by industry, and there are approximately 600 industrial classifications.

For compensable injuries and occupational diseases, workers' compensation benefits include wage replacement, medical treatment, death and funeral costs, and vocational rehabilitation expenses. The medical care and treatment must be provided for an

appropriate time period, depending on the nature and type of personal injury, compensable hernia, or occupational disease. Wage replacement benefits are based on the employee's average weekly wage and on the type of injury, as prescribed in statute; however, in all cases, an employee's weekly benefits may not exceed a certain percentage of the State average weekly wage.

An employer may not discharge a covered employee from employment *solely* because the covered employee files a workers' compensation claim. A person who violates this prohibition is guilty of a misdemeanor and subject to maximum penalties of a \$500 fine and/or one year imprisonment.

Background: Chesapeake advises that it has never had one of its insured employers penalized for unlawfully discharging a claimant for a filing a claim under current law and, therefore, believes that the discharge of employees related to the filing of a workers' compensation claim must be extremely rare. The Department of Legislative Services (DLS) concurs with this assessment, given that Chesapeake is one of the largest workers' compensation insurers in the State. In addition, a preliminary search by DLS did not identify any instance where a covered employee was terminated in any way related to his or her workers' compensation claim.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Chesapeake Employers' Insurance Company; Workers' Compensation Commission; Judiciary (Administrative Office of the Courts); University System of Maryland; Department of Budget and Management; Maryland Department of Transportation; Department of Legislative Services

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