

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 685
Economic Matters

(Delegate Johnson, *et al.*)

Finance

Harford County – Workers’ Compensation – Permanent Partial Disability –
Detention and Correctional Officers and Deputy Sheriffs

This bill alters the definition of “public safety employee” to include Harford County deputy sheriffs, correctional officers, and detention officers. Altering the definition in this way makes these deputy sheriffs, correctional officers, and detention officers eligible for enhanced workers’ compensation benefits for claims arising on or after October 1, 2020.

Fiscal Summary

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

Chesapeake Employer’s Insurance Company (Chesapeake) Effect: The bill does not affect Chesapeake operations or finances.

Local Effect: Harford County expenditures increase, as discussed below, beginning in FY 2021. Revenues are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: Normally, an employee who is awarded compensation for a permanent partial disability for a period less than 75 weeks is eligible to receive weekly benefits of one-third of his or her average weekly wage, but that amount may not exceed 16.7% of the State average weekly wage. However, a public safety employee is eligible for enhanced workers’ compensation benefits if awarded compensation for less than 75 weeks. In such

a case, 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. Thus, a public safety employee is eligible to receive approximately double the weekly benefits – two-thirds of his or her average weekly wage, but that amount may not exceed one-third of the State average weekly wage. The State average weekly wage for 2020 is \$1,080.

Deputy sheriffs from the following jurisdictions are considered public safety employees for this purpose: Baltimore City and Allegany, Anne Arundel, Baltimore (under specified circumstances only), Howard, Montgomery, and Prince George’s counties.

State correctional officers and correctional officers or detention officers from the following jurisdictions are considered public safety employees for this purpose: Anne Arundel, Montgomery, and Prince George’s counties.

Background: Harford County currently employs a total of 438 deputy sheriffs and correctional/detention officers. Harford County is self-insured for workers’ compensation, meaning that all compensation claims are paid directly by the county instead of through an insurer.

Local Expenditures: Harford County deputy sheriffs, correctional officers, and detention officers are entitled to enhanced workers’ compensation benefits under the bill’s provisions, due to their designation as public safety employees; this benefit is for any claim. While the number of claims made subject to enhancement in any given year cannot be reliably estimated, any expenditure increase due to this designation may be significant, beginning in fiscal 2021.

Permanent partial disability awards for less than 75 weeks (awards that receive the enhanced benefits) are among the most common types of compensation awards. A public safety employee who receives such an award in calendar 2020 would be entitled to a maximum weekly benefit of \$360 (for a maximum of 74 weeks, for a total of \$26,640); whereas any other employee would be entitled to a maximum weekly benefit of \$180 (for a maximum of 74 weeks, for a total of \$13,320) under the same circumstances. Thus, for each deputy sheriff, correctional officer, or detention officer who sustains this type of injury, Harford County may pay up to \$13,320 more in wage replacement benefits under the bill; this amount increases each calendar year based on growth in the State average weekly wage.

For illustrative purposes only, if Harford County were to receive 22 such claims per year (reflecting 5% of the affected staff), Harford County expenditures could increase by up to \$293,040 annually. This illustrative amount does not account for growth in the State average weekly wage in future years.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Baltimore and Harford counties; Chesapeake Employers' Insurance Company; Subsequent Injury Fund; Uninsured Employers' Fund; Department of Legislative Services

Fiscal Note History: First Reader - March 1, 2020
rh/ljm Third Reader - March 15, 2020
Revised - Amendment(s) - March 15, 2020
Revised - Clarification - March 15, 2020

Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510