

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 152 (Senator Della)

Finance

Workers' Compensation - Temporary Total Disability - Fire and Rescue Employees

This bill makes fire and rescue employees eligible to receive payments for temporary total disability if the employee is temporarily disabled from the duties of the public safety employment that gave rise to the injury, regardless of whether the employee engages in certain secondary employment. Such secondary employment: (1) must have commenced prior to the injury; (2) cannot conflict with the work schedule of the public safety employment; (3) cannot produce compensation that exceeds the compensation from the public safety employment prior to the injury; and (4) must not prolong the disability.

Fiscal Summary

State Effect: Potential increase of up to \$70,000 annually in State workers' compensation expenditures to pay temporary total disability benefits to certain injured public safety employees who continue to hold secondary employment.

Local Effect: Potential increase in local governments' workers' compensation expenditures to pay temporary total disability benefits to certain injured public safety employees who continue to hold secondary employment.

Small Business Effect: None. Any workers' compensation payments for temporary total disability would be paid by the governmental employer, not the secondary employer.

Fiscal Analysis

State Expenditures: The legislation increases workers' compensation benefits to specified public safety employees who are considered to be temporarily totally disabled from their public safety job, but can still work one or more side jobs that are less strenuous. The legislation eliminates the ability to offset income earned from the side job(s) against workers' compensation benefits that are paid as a result of an injury from the public safety job.

The Injured Workers' Insurance Fund (IWIF), which administers the State's workers' compensation claims, paid \$28 million in temporary total indemnity benefits during calendar 1997. It cannot be precisely determined what percentage of those benefits are attributable to the classes of public safety employees listed in the bill. For illustrative purposes, if 1%, or \$280,000, of the total is related to these employees, and if workers' compensation benefits for these employees increase by 25%, then the total benefits paid by IWIF would increase by \$70,000 per year. It cannot be determined how much of these additional benefits would be attributable to State employee claims, and how much to other IWIF insureds, including local governments that may have public safety employees subject to the Act.

Information Source(s): Injured Workers' Insurance Fund; Subsequent Injury Fund;
Department of Legislative Services

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