

SENATE BILL 34

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1999 Regular Session
9lr0153

(PRE-FILED)

By: **Chairman, Finance Committee (Departmental - Workers' Compensation Commission)**

Requested: July 27, 1998

Introduced and read first time: January 13, 1999

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: February 23, 1999

CHAPTER _____

1 AN ACT concerning

2 **Workers' Compensation - Benefits - Permanent Total Disability - Cost of**
3 **Living Adjustment - Consumer Price Index**

4 FOR the purpose of providing that certain determinations and reports regarding the
5 Consumer Price Index will be made by the Department of Business and
6 Economic Development rather than the Department of Labor, Licensing, and
7 Regulation; altering a certain reference to certain Consumer Price Index
8 information used in calculating a certain cost of living adjustment to certain
9 workers' compensation benefits; and generally relating to workers'
10 compensation benefits for permanent total disability.

11 BY repealing and reenacting, with amendments,
12 Article - Labor and Employment
13 Section 9-638
14 Annotated Code of Maryland
15 (1991 Volume and 1998 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Labor and Employment**

19 9-638.

20 (a) Compensation paid under this Part V of this subtitle is subject to an
21 annual cost of living adjustment.

1 (b) On or before June 30 of each year, the [Department of Labor, Licensing,
2 and Regulation] DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT shall
3 determine and report to the Commission the rate of change in the Consumer Price
4 Index in the preceding calendar year, using as the Consumer Price Index the lower of:

5 (1) the [average of the] Consumer Price [Indices] INDEX (all urban
6 consumers, all item index) published by the United States Department of Labor for
7 the [Baltimore MSA and the Washington, D.C. MSA] WASHINGTON,
8 D.C.-BALTIMORE CMSA; or

9 (2) the United States city average consumer price index (all urban
10 consumers, all item index).

11 (c) (1) On or before July 31 of each year, the Commission shall publish the
12 amount of the cost of living adjustment that shall become effective on January 1 of the
13 following year.

14 (2) The cost of living adjustment may not exceed 5%.

15 (d) The compensation payable to a covered employee under this Part V of this
16 subtitle shall be adjusted by:

17 (1) multiplying the initial rate of compensation by the cost of living
18 adjustment; and

19 (2) adding the product to the compensation, as adjusted, paid during the
20 prior year.

21 (e) (1) If a covered employee who is entitled to compensation under this Part
22 V of this subtitle also receives federal Social Security disability insurance benefits,
23 the adjusted annual compensation paid shall be reduced to the extent necessary to
24 avoid a diminution of the federal Social Security disability insurance benefits.

25 (2) If federal Social Security law on disability insurance benefits no
26 longer imposes a diminution in the payment of the adjustment in compensation,
27 payments of compensation shall be made to the full extent allowed under this section.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
29 effect June 1, 1999.