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By: **Senators Teitelbaum, Exum, Conway, Kelley, Pinsky, Della, and Dyson**  
Introduced and read first time: February 3, 1999  
Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Workers' Compensation - Permanent Total Disability Claims - Cost of Living**  
3                                   **Adjustments**

4 FOR the purpose of altering a provision of the workers' compensation law so as to  
5 authorize an annual cost of living adjustment for certain claims regardless of  
6 the date of the claim; clarifying certain language; and generally relating to cost  
7 of living adjustments for permanent total disability claims under the workers'  
8 compensation law.

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

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

16                                   **Article - Labor and Employment**

17 9-638.

18 (a) Compensation paid under this Part V of this subtitle is subject to an  
19 annual cost of living adjustment, REGARDLESS OF THE DATE OF THE CLAIM.

20 (b) On or before June 30 of each year, the Department of Labor, Licensing, and  
21 Regulation shall determine and report to the Commission the rate of change in the  
22 Consumer Price Index in the preceding calendar year, using as the Consumer Price  
23 Index the lower of:

24 (1) the average of the Consumer Price Indices (all urban consumers, all  
25 item index) published by the United States Department of Labor for the Baltimore  
26 MSA and the Washington, D.C. MSA; or

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

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

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

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

7 (1) multiplying the initial rate of compensation by the cost of living  
8 adjustment; and

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

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

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

18 SECTION 2. AND BE IT FURTHER ENACTED, That Section 5 of Chapter 591  
19 of the Acts of the General Assembly of 1987 may not be construed to prohibit a cost of  
20 living adjustment for permanent total disability claims arising before January 1,  
21 1988.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 October 1, 1999.