

Department of Legislative Services  
Maryland General Assembly  
2001 Session

FISCAL NOTE

House Bill 637 (Delegates Kittleman and Klima)  
Economic Matters

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**Workers' Compensation - Temporary Partial and Temporary Total Disability  
Compensation - Incarceration**

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This bill provides that an employer is not liable for the payment of temporary total or temporary partial disability compensation under the State's workers' compensation laws in weeks when the covered employee to whom benefits otherwise would be due is incarcerated. The bill also prohibits a covered employee to whom compensation is not paid from claiming compensation for the weeks of incarceration after being released.

The bill applies to the payment of any temporary partial or temporary total disability compensation due on or after October 1, 2001.

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**Fiscal Summary**

**State Effect:** Potential minimal decrease in workers' compensation costs to the extent payments are reduced as a result of the bill, as discussed below.

**Local Effect:** Potential minimal decrease in workers' compensation costs to the extent payments are reduced as a result of the bill.

**Small Business Effect:** Potential minimal.

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**Analysis**

**Current Law:** Temporary partial or temporary total disability compensation under the State's workers' compensation laws must be paid to covered employees even during periods of incarceration.

**State Expenditures:** The Injured Workers' Insurance Fund, which administers the State's workers' compensation program, advises that its average cost of temporary total and temporary partial disability compensation per claim since 1996 is approximately \$4,900. No data are available on the number of current claims involving incarcerated individuals. However, for illustrative purposes, if five such individuals were denied benefits during incarceration, the maximum savings would be \$24,500. These savings would decrease to the extent a covered worker was not incarcerated during any period of the claim.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Injured Workers' Insurance Fund, Subsequent Injury Fund, Uninsured Employers' Fund, Department of Legislative Services

**Fiscal Note History:** First Reader – March 2, 2001  
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