

**Department of Legislative Services**  
Maryland General Assembly  
2001 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 877 (Senator Astle)  
Finance

Economic Matters

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**Workers' Compensation - Credit Against Payment of Permanent Partial  
Disability Awards After Appeal**

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This bill provides that, if an award of permanent partial disability under the State's workers' compensation laws is reversed or modified by a court on appeal, the payment of any new compensation awarded will be subject to a credit for compensation previously awarded and paid.

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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.

**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:** The Workers' Compensation Commission may order an offset or credit against an award for permanent partial disability benefits to a covered employee for: (1) temporary total disability benefits previously paid; or (2) vocational rehabilitation benefits previously provided. The commission may order reimbursement to an employer from an individual who knowingly obtains benefits to which the individual was not entitled.

**Background:** In *Philip Electronics North America v. Wright*, 348 Md. 209 (1997), the Court of Appeals held that an employer was entitled to a credit for the number of weeks of benefits actually paid, rejecting a “total monetary sum” theory in a permanent partial disability award.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1278 (Delegate Cadden) – Economic Matters.

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

**Fiscal Note History:** First Reader – March 7, 2001  
ef/jr Revised – Senate Third Reader – March 29, 2001  
Revised – Enrolled Bill – April 12, 2001

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