

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 791
Economic Matters

(Delegate Moe, *et al.*)

Workers' Compensation - Payment of Compensation - Temporary Partial
Disability

This bill increases the amount of compensation that an employer or its insurer must pay to a covered employee if the employee's wage earning capacity is decreased while temporarily partially disabled.

Fiscal Summary

State Effect: Potential minimal increase in State workers' compensation expenditures (all funds).

Local Effect: Potential minimal increase in workers' compensation expenditures for local governments.

Small Business Effect: Minimal.

Analysis

Bill Summary: If a covered employee's wage earning capacity is decreased while temporarily partially disabled, the employer or its insurer will pay the covered employee compensation that equals 66 2/3% of the difference between:

- the average weekly wage of the covered employee; and
- the wage earning capacity of the covered employee in the same or other employment while temporarily partially disabled.

Additionally, this compensation must not exceed the State average weekly wage.

Current Law: Under current law a covered employee who is temporarily partially disabled and whose wage earning capacity has decreased as a result of the disability, may receive covered employee compensation that equals 50% of the difference between:

- the average weekly wage of the covered employee; and
- the wage earning capacity of the covered employee in the same or other employment while temporarily partially disabled.

Additionally, this compensation must not exceed 50% of the State average weekly wage.

Background: The estimated average weekly wage as established by the Department of Labor, Licensing, and Regulation is approximately \$700.

State Expenditures: The Injured Workers' Insurance Fund (IWIF) advises that while this bill raises temporary partial disability payments, these payments represent a small part of the overall compensation that IWIF pays. IWIF estimates that the bill would increase overall expenditures by less than 0.2%.

Additional Information

Prior Introductions: None.

Cross File: SB 467 (Senator Astle) – Finance.

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

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ncs/jr

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