

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 277
Economic Matters

(Delegate Rosenberg)

Finance

Workers' Compensation - Covered Employee - Domestic Worker

This bill exempts employers from providing workers' compensation coverage for domestic workers who earn less than \$1,000 per quarter.

Fiscal Summary

State Effect: None. This bill would not materially impact State finances or operations.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Employers of domestic workers who earn at least \$750 per quarter must provide workers' compensation coverage to that employee. A domestic worker earning less than the prescribed amount may jointly elect with the employer to become a covered employee. If the domestic worker is less than 16 years old, a parent or guardian may elect this coverage on behalf of the minor employee with the employer's consent.

Background: Chapter 207 of 1996 provided the last increase in the minimum earning threshold for workers' compensation coverage for domestic workers. The Act increased the quarterly minimum threshold for coverage from \$250 to \$750. Chapter 57 of 1998 further provided that domestic workers earning less than the minimum threshold, or parents of workers under the age of 16, may elect with an employer to become a covered employee.

Several states, including Florida, Missouri, Mississippi, Indiana, and Nebraska, do not require employers to provide workers' compensation coverage to domestic workers.

The Injured Workers' Insurance Fund (IWIF) advises that it currently has 1,289 domestic accounts, of which only 10 have an annual payroll under \$1,000. IWIF further advises that the bill would have an insignificant impact on IWIF's business and the workers' compensation system in general, and no impact on the State, which does not employ domestic workers.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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ncs/jr

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