

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 1117

(Delegate Kirk, *et al.*)

Economic Matters

Finance

Workers' Compensation - Benefits for Dependents

This bill entitles dependents of certain firefighting personnel, police officers, correctional officers, and deputy sheriffs to collect retirement benefits as well as workers' compensation benefits when the covered employee's death resulted from specified occupational diseases.

Fiscal Summary

State Effect: Since it is assumed that this bill would apply in a limited number of cases, State finances should not be affected.

Local Effect: Potential minimal.

Small Business Effect: None.

Analysis

Current Law: Workers' compensation law prevents double payments to civil servants for an injury arising from employment by providing that government employees covered by both a pension plan and workers' compensation are entitled to a single recovery for a single injury.

Exceptions to the law preventing double payment apply in the following circumstances:

- certain firefighting personnel whose heart disease, hypertension, or lung disease result in partial or total disability or death;

- police officers, Montgomery and Prince George's county correctional officers, and deputy sheriffs of Montgomery County, Baltimore City, and Prince George's counties whose heart disease or hypertension was demonstrably caused by an individual's employment and result in partial or total disability or death;
- certain firefighting personnel whose leukemia or pancreatic, prostate, rectal, or throat cancer prevents that individual from performing the normal duties of the job; and
- paid law enforcement employees of the Department of Natural Resources who suffer from Lyme disease.

Under the preceding circumstances, these covered individuals are entitled to workers' compensation benefits in addition to any benefits that the individual is entitled to receive under the retirement system. The weekly total of workers' compensation and retirement benefits may not exceed the weekly salary paid to the individual. This bill extends this exemption to dependents of the listed workers.

Eligibility of Dependents

Individuals wholly dependent on a deceased covered employee are entitled to a death benefit payable at a rate equivalent to two-thirds of the average weekly wage of the deceased covered employee, within certain limitations. The employer is required to pay the weekly death benefit for the period of total dependency or until \$45,000 has been paid. A surviving spouse or child who remains wholly dependent after \$45,000 has been paid is eligible for continued benefits.

When there are no dependents wholly dependent on a deceased covered employee, but there are individuals partly dependent on the employee, the employer must provide a death benefit equal to two-thirds of the average weekly wage of the employee, not exceeding two-thirds of the State average weekly wage, for the period of partial dependency or until \$60,000 has been paid. The weekly death benefit is the percentage of the benefit the weekly earnings of the deceased covered employee bears to the combined weekly earnings of the employee and the partly dependent individuals.

State Fiscal Effect: This bill would have a minimal impact on State workers' compensation costs. The bill would apply in a limited number of cases in which a public safety officers' death resulted from specified occupational diseases.

The *Workers' Compensation Commission Annual Report FY 2006* states that 18 of 18,350 total awards in fiscal 2006 were the result of the death of the employee. The Injured Workers' Insurance Fund advises that the majority of these cases result from traumatic injury and not occupational disease. In addition, many of the public safety officers covered under the bill are local employees, minimizing the potential State impact.

Local Fiscal Effect: This bill would have a minimal impact on local workers' compensation costs. The bill would apply in a limited number of cases in which a public safety officers' death resulted from specified occupational diseases.

Additional Information

Prior Introductions: None.

Cross File: SB 752 (Senator Exum) – Finance.

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

Fiscal Note History: First Reader - February 28, 2007
ncs/jr

Analysis by: Suzanne O. Potts

Direct Inquiries to:
(410) 946-5510
(301) 970-5510