

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 1248
Economic Matters

(Delegate Jameson)(By Request)

Workers' Compensation - Average Weekly Wage - Volunteer Company Member

This bill alters the method of computing the average weekly wage (AWW) – for the purpose of calculating workers’ compensation benefits – of a covered employee of a member of a “volunteer company” throughout the State. The bill specifies that the wages for such a covered employee must be the greater of either the wages from the covered employee’s other employment *or* the equivalent to the base salary or wages of a professional firefighter or emergency medical technician in the jurisdiction in which the accidental personal injury or last injurious exposure occurred.

Fiscal Summary

State Effect: Any additional hearings (with regard to determining a volunteer’s equivalent base salary) before the Workers’ Compensation Commission can likely be handled with existing budgeted resources.

Injured Workers’ Insurance Fund (IWIF): IWIF expenditures likely increase to reflect increased workers’ compensation benefits paid as a result of the bill’s alterations to the computation for the AWW of specified volunteer company members. Revenues are not affected.

Local Effect: Local government expenditures for self-insured counties and municipalities likely increase to reflect increased workers’ compensation benefits paid as a result of the bill’s alterations to the computation for the AWW of specified volunteer company members. Revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary/Current Law: Under current law, for purposes of computing the AWW of a volunteer company member affected by the bill, the wages of the covered employee (*i.e.*, an individual for whom a person, a governmental unit, or a quasi-public corporation is required to provide workers' compensation insurance coverage) are generally calculated by using the AWW from the covered employee's other employment (or, if the covered employee had no other employment, the State AWW) at the time of the accidental personal injury or last injurious exposure. "Volunteer company" means a volunteer advanced life support unit; a volunteer ambulance company or squad; a volunteer fire company or department; a volunteer rescue company, department, or squad; and a volunteer fire police unit.

Under the bill, the wages for such a covered employee must be the *greater* of either that amount *or* equivalent to the base salary or wages of a professional firefighter or emergency medical technician in the jurisdiction in which the accidental personal injury or last injurious exposure occurred.

IWIF/Local Effect: Most counties and municipalities are, like the State, self-insured. To the extent that employers covered under the bill are not self-insured, benefits are paid by IWIF. Thus, both local governments and IWIF are affected in a similar manner.

Although the average base salary or wages of a professional firefighter or emergency medical technician varies by jurisdiction and is unknown, it is assumed to exceed the State AWW and is likely to (in many cases) exceed the AWW from a covered employee's other employment. Baltimore County, for example, advises that the average base salary or wages of a professional firefighter or emergency medical technician in its jurisdiction is more than \$1,400 per week. Similarly, Montgomery County advises that, in 2011, the average indemnity benefit paid to a career firefighter was \$9,603, while the average indemnity benefit paid to a volunteer was \$4,556. Thus, the Department of Legislative Services advises that expenditures increase to reflect increased workers' compensation benefits paid as a result of the bill's alterations to the computation for the AWW of specified volunteer company members, although the exact amount of the increase cannot be reliably estimated at this time.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore, Harford, Montgomery, Talbot, and Wicomico counties; Injured Workers' Insurance Fund; National Council on Compensation Insurance; Subsequent Injury Fund; Uninsured Employers' Fund; Department of Legislative Services

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mc/ljm

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