

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 1058
Finance

(Senator Conway)

Workers' Compensation - Permanent Partial Disability - Baltimore City Deputy
Sheriffs

This bill alters the definition of “public safety employee” to include Baltimore City deputy sheriffs, thereby making these officers eligible for enhanced workers’ compensation benefits.

The bill must be construed to apply only prospectively and may not be applied or interpreted to have any effect on, or application to, any claims arising before the bill’s October 1, 2016 effective date.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: Baltimore City expenditures increase beginning in FY 2017 due to enhanced workers’ compensation benefits for deputy sheriffs, as discussed below. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law/Background: Baltimore City is self-insured for workers’ compensation. The city has 103 deputy sheriffs, 9 deputy sheriff sergeants, 6 deputy sheriff lieutenants, 3 deputy sheriff captains, 3 deputy sheriff majors, 1 assistant sheriff, and 1 chief deputy sheriff (totaling 126 individuals who may be affected by the bill).

Normally, an employee who is awarded compensation for a period less than 75 weeks is eligible to receive weekly benefits of one-third of his or her average weekly wage, but that amount may not exceed 16.7% of the State average weekly wage. However, a public safety employee is eligible for enhanced workers' compensation benefits if awarded compensation for less than 75 weeks. In such a case, the employer or its insurer must pay the public safety employee at a compensation rate set for an award period of greater than 75 weeks but less than 250 weeks. Thus, a public safety employee is eligible to receive approximately double the weekly benefits – two-thirds of his or her average weekly wage, but that amount may not exceed one-third of the State average weekly wage. The State average weekly wage for 2016 is \$1,027.

The deputy sheriffs of Prince George's, Montgomery, Allegany, and Anne Arundel counties are considered public safety employees. A Baltimore County or Howard County deputy sheriff is considered a public safety employee only when performing specified duties.

Local Expenditures: Baltimore City expenditures increase, likely in the range of \$100,000 to \$200,000 or less per year, due to deputy sheriffs always being eligible to receive enhanced benefits when they receive workers' compensation benefits. Historical claims data on the number and length of awards for Baltimore City deputy sheriffs was not available for inclusion in this fiscal and policy note. Even so, Baltimore City advises that approximately 1.2% of total incurred claims are for the Baltimore City Sheriff's Office.

For illustrative purposes only, if 15 deputy sheriff claimants (more than 10% of all deputy sheriffs in the city who may be affected by the bill) all received the maximum benefit possible under the bill (currently \$343 per week) for an average of 39 weeks, then Baltimore City expenditures would be \$200,655 to pay the weekly benefits to those claimants. However, if the same 15 claimants were not entitled to enhanced compensation benefits (and, thus, received at most \$172 per week), Baltimore City expenditures would remain at \$100,620 to pay their weekly benefits. Under this scenario, the enhanced compensation benefits under the bill would result in \$100,035 in increased expenditures (based on 2016 average weekly wages).

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City, Workers' Compensation Commission, Chesapeake Employers' Insurance Company, Subsequent Injury Fund, Department of Legislative Services

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md/ljm

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