

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1486
Economic Matters

(Delegate Arentz, *et al.*)

Workers' Compensation - Average Weekly Wage - Multiple Employers

This bill modifies the manner in which a covered employee's average weekly wage must be calculated when an employee is concurrently employed by more than one employer and, as a result of an accidental personal injury or occupational disease, is unable to work at any employment. In such a case, the average weekly wage must be calculated by combining the weekly wage from all of the covered employee's employments. The bill requires these additional benefits to, ultimately, be paid by the Subsequent Injury Fund (SIF). The bill only applies prospectively and may not be applied or interpreted to have any effect on or application to any claim arising from events occurring before the bill's October 1, 2026 effective date.

Fiscal Summary

State Effect: Special fund expenditures increase, potentially significantly, for SIF to reimburse employers for the additional wage replacement benefits paid under the bill and to the extent that SIF incurs administrative costs to establish a new process to do so beginning in FY 2027. Otherwise, the bill is not anticipated to materially affect State operations or finances, as discussed below.

Chesapeake Employers' Insurance Company (Chesapeake) Effect: The bill is not anticipated to materially affect Chesapeake operations or finances, as discussed below.

Local Effect: The bill is not anticipated to materially affect local government operations or finances, as discussed below.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Multiple Employers – Calculation of Average Weekly Wage

The bill applies to a covered employee who:

- was concurrently employed by more than one employer at the time of (1) the accidental personal injury or (2) the last injurious exposure of the covered employee to the hazards of an occupational disease; and
- as a result of the accidental personal injury or occupational disease, is unable to work at *any* employment the covered employee was engaged in at the time of the accidental personal injury or last injurious exposure.

Under these circumstances, the gross weekly wages from the employments the covered employee was engaged in at the time of the accidental personal injury or last injurious exposure must be combined for the purposes of computing the average weekly wage of the covered employee. These requirements may not be interpreted to create liability to pay compensation on the part of another employer in whose employment the accidental personal injury or last injurious exposure did not occur.

Existing requirements that govern the calculation of the average weekly wage for an individual engaged for firefighting by the Department of Natural Resources who is a covered employee are modified to include the calculation established by the bill in the calculation necessary to determine the individual's average weekly wage under specified circumstances.

The bill repeals certain provisions governing a covered employee who has suffered a serious permanent partial disability or a permanent total disability and was concurrently employed by more than one employer. These provisions are replaced by the calculation method established by the bill. The bill also makes several other conforming and technical changes.

Payment of the Additional Claims and Reimbursement

When additional compensation must be paid for an individual with multiple employers under the bill, the employer in whose employment the accidental personal injury (or last injurious exposure to the occupational disease) occurred, or the employer's insurer must initially pay the covered employee's weekly compensation. SIF must reimburse the additional compensation paid by an employer or its insurer based on the calculations established by the bill.

Current Law:

Average Weekly Wage – Generally

Wage replacement benefits paid to an injured employee through the workers' compensation system are based on the employee's average weekly wage and on the type of injury, as prescribed in statute. However, in all cases, an employee's weekly benefits may not exceed a certain percentage of the State average weekly wage. For example, an employee who is awarded compensation for a permanent partial disability for a period less than 75 weeks (one of the most common types of awards) 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; the State average weekly wage for 2026 is \$1,537. The maximum weekly benefit payable for each type of compensation award can be found on the Workers' Compensation Commission's (WCC) [website](#).

In general, the average weekly wage must be computed by determining the average of the weekly wages of the covered employee (1) when the employee is working full time and (2) at the time of the employee's accidental personal injury or last injurious exposure to the hazards of an occupational disease. For purposes of this computation, wages include tips as well as the reasonable value of housing, lodging, meals, rent, and other similar advantages that the employee received from the employer. However, additional factors must be considered in the calculation for specified individuals, including, among others, certain law enforcement officers, firefighters, students with disabilities, and incarcerated individuals.

Average Weekly Wage – Multiple Employers

The average weekly wage must be calculated differently when an employee (1) has suffered a serious *permanent* partial disability or *permanent* total disability; (2) was concurrently employed by more than one employer at the time of an accidental personal injury; (3) worked, on average, 20 hours per week or less in the employment in which the accidental personal injury occurred; and (4) as a result of the injury, is unable to work at any employment the covered employee was engaged in at the time of the accidental personal injury or any similar type of employment.

Under these circumstances, the employee's average weekly wage is calculated based on the job where the employee earns the most money, regardless of where the compensable injury occurred. Even so, the employer of the job where the injury occurred is still required to pay the wage replacement benefits. The employer is then reimbursed for the difference by SIF. For example, if an employer is required to pay weekly benefits of \$180 instead of \$160 due to the employee's other job, SIF reimburses the employer for the additional \$20 per week. This calculation may not be interpreted to require the employee's wages be combined to determine the average weekly wage.

State/Chesapeake/Local/Small Business Expenditures:

Employers – Generally

Wage replacement benefits for injured employees who are concurrently working for more than one employer and meet the bill's other requirements increase because the bill requires the calculation for such an employee's average weekly wage to be computed using the combined wages of the employee from all employments. Absent the bill, such an employee's average weekly wage would be calculated using the average weekly wages at the employment where the injury occurred or, in limited circumstances, the higher wage from a single employment, as discussed above.

As such, workers' compensation costs for employers (such as the State itself, local governments, and small businesses) and workers' compensation insurers (such as Chesapeake) increase to the extent that these additional wage replacement benefits are paid. However, the bill requires SIF to reimburse any employer or insurer that incurs such a cost for the amount paid beyond what would have been paid under current law. Thus, expenditures and revenues for employers in the State increase correspondingly, resulting in no net effect on employer finances over multiple years beyond minor timing differences between payments and reimbursements.

Subsequent Injury Fund

Under the bill, special fund expenditures by SIF increase beginning in fiscal 2027 to reimburse employers for the additional wage replacement benefits paid and, to the extent that SIF needs to establish a new administrative process, to handle the reimbursements.

The ultimate impact on SIF could be significant. Nationally, about 5% to 6% of employed individuals have more than one job. However, a more precise estimate cannot be made without actual experience under the bill because it depends on numerous unknown factors, including how many employees in the State work multiple jobs, the average wages of those employees, and whether those employees are injured and awarded workers' compensation benefits in the future. Additionally, WCC and Chesapeake do not have readily accessible data to determine how the bill may affect claims that would be modified when the bill takes effect on October 1, 2026.

For informational purposes, SIF's fund balance increased by an average of \$6.1 million annually from fiscal 2016 through 2025, and SIF currently has a fund balance that [exceeds \\$140.0 million](#).

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years. Nevertheless, HB 1455 of 2025 included a similar aggregation provision.

Designated Cross File: None.

Information Source(s): Chesapeake Employers' Insurance Company; Subsequent Injury Fund; Uninsured Employers' Fund; Department of Legislative Services

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Analysis by: Eric F. Pierce

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