

MML-SB 845 - OPP (2).pdf

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Position: UNF



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

March 5, 2024

Committee: Senate Finance

Bill: SB 845 – Workers' Compensation - Temporary Partial Disability - Concurrent Employment

Position: Unfavorable

Reason for Position:

The Maryland Municipal League opposes Senate Bill 845, which would require local government employers to pay a higher temporary disability claim to employees who are injured on the job but still able to work at a concurrently held job.

Under current law, if the injured employee can continue working their second job, the employee may be eligible to receive temporary *partial* disability benefits. This measured approach meets the intent of workers' compensation: to provide benefits to injured workers while they are unable to work, without unduly burdening a single employer. It ensures workers who are injured at work have access to medical care and receive compensation to cover a portion of their lost wages while they are out of work, among other benefits.

However, this bill would allow the employee to claim an amount equal to a temporary *total* disability award if they would have likely received a temporary *total* disability award if that employee only had one job instead of multiple jobs. This change is in direct conflict with the intent of workers' compensation benefits: if an employee can still work, a total disability award is unnecessary.

This bill proposes a significant and potentially expensive expansion for local government employers. For these reasons, the League respectfully requests an unfavorable report on Senate Bill 845.

FOR MORE INFORMATION CONTACT:

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Chief Executive Officer
Director, Advocacy & Public Affairs
Director, Public Policy & Research
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SB0845-FIN_MACo_OPP.pdf

Uploaded by: Brianna January

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Senate Bill 845

Workers' Compensation - Temporary Partial Disability - Concurrent Employment

MACo Position: **OPPOSE**

To: Finance Committee

Date: March 5, 2024

From: Brianna January

The Maryland Association of Counties (MACo) **OPPOSES** SB 845. This bill would require employers to effectively pay temporary total disability instead of the current practice of temporary partial disability for worker's compensation claims in which the claimant has, and continues to work in, a second job. Counties oppose the concept of paying an employee for *total* disability, including their ability to serve in an alternative role within their work site, while they continue to work in a secondary job.

Today, employers are required to pay temporary partial disability benefits for claims where a worker has a secondary source of income and can continue to work. Under SB 845, employers could be forced to pay temporary total disability under these circumstances. Counties understand the fragile situation some claimants find themselves in, unable to work their secondary job or forced out of it, even if they can perform their duties while on workers' compensation. However, SB 845 creates an unfair burden on employers to pay a significantly greater benefit to make up for potential lost wages at a second job.

Counties are just one set of employers impacted by the financial ramifications of SB 845, but the bill has especially challenging implications for local governments. Maryland's counties are facing an unprecedented wave of fiscal effects. Revenues are softening – and are even in decline – as federal support recedes from the national economy and high interest rates slow real estate sales. Costs of workforce, construction, and legal liability are all mounting dramatically. Additionally, the Blueprint for Maryland's Future poses costs for education that, for each county, will absorb or exceed their projected new revenues from current sources.

Furthermore, county options for generating meaningful revenues are limited, with most counties already at the state's income tax rate cap, leaving the regressive property tax as the principal remaining alternative. In this precarious setting, placing new operational or fiscal burdens on county governments is untenable and unrealistic.

SB 845 poses unreasonable benefit obligations and costs on behalf of employees who are demonstrably able to continue working in some capacity, undermining the core notion of the workers' compensation system. For these reasons, MACo **OPPOSES** SB 845 and urges an **UNFAVORABLE** report.

SB 845 Chesapeake-IWIF Testimony.pdf

Uploaded by: Lyndsey Meninger

Position: UNF



Senate Finance Committee
March 5, 2024

Testimony of Chesapeake Employers' Insurance Company and Injured Workers' Insurance Fund in Opposition to Senate Bill 845

Senate Bill 845 proposes to allow an injured worker to collect temporary total disability benefit rates as a result of a work-related injury covered by the Workers' Compensation Act even though the injured worker continues to work in a job other than the employment that led to the injury. For the forgoing reasons, Chesapeake Employers and Injured Workers' Insurance Fund respectfully oppose Senate Bill 845.

Currently, if an injured worker has concurrent employment, he or she is unable to collect temporary total disability unless he or she cannot work either employment. Hence the term total disability. If an injured worker can work one of his or her jobs, but not both, he or she would be entitled to temporary partial disability pursuant to Section 9-615 of the Labor and Employment Article, payments, therefore, are based on one's physical state (See *Buckler v. Willett Construction Co.*, 345 Md. 350 (1997)).

Senate Bill 845 effectively removes the long-standing concept of temporary partial disability from the statute while also overruling case law going back 25 years.

More importantly, however, Senate Bill 845 would cause significant financial impact on certain businesses that routinely employ workers who may have second jobs, such as restaurants, bars, and related fields. Because of the requirement to pay total disability rates for individuals only partially incapacitated, insurance premium would be based on disability not caused by the insured business. This effect on insurance rates would be detrimental to all businesses but certainly those mentioned above.

For the forgoing reasons, Chesapeake Employers' Insurance Company and Injured Workers' Insurance Fund respectfully request an unfavorable report on Senate Bill 845.

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SB 845_MTBMA_UNF.pdf

Uploaded by: Michael Sakata

Position: UNF



March 5th, 2024

Senator Pam Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

RE: SB 845 – UNFAVORABLE – Workers’ Compensation – Temporary Partial Disability – Concurrent Employment

Dear Chair Beidle and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 845 proposes changes to workers’ compensation laws regarding temporary partial disability benefits for workers with concurrent employment. It requires employers to compensate such workers if they are temporarily disabled from their primary job but can still work at a concurrent job, at a higher rate.

MTBMA opposes this legislation because it poses significant challenges and burdens for employers in our industry. The requirement to pay compensation for temporarily disabled workers with concurrent employment places undue financial strain on employers, notably smaller operations grappling with increased costs. The eligibility criteria outlined in the bill are vague and open to interpretation, leading to potential inconsistencies and disputes in determining who qualifies for compensation. This ambiguity creates uncertainty for employers and could result in increased administrative burdens and expenses associated with claims processing and dispute resolution.

We appreciate you taking the time to consider our request for an **UNFAVORABLE** report on Senate Bill 845.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

SB 845 Concurrent Employment UNF APCIA 030524.pd

Uploaded by: Nancy Egan

Position: UNF



Testimony of

American Property Casualty Insurance Association (APCIA)

Senate Finance Committee

Senate Bill 845 - Workers' Compensation - Temporary Partial Disability - Concurrent Employment

March 5, 2024

Unfavorable

The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 67% of the U.S. property and casualty insurance market, including 89% percent of Maryland's workers' compensation market. APCIA appreciates the opportunity to provide written comments in opposition to Senate Bill 845.

APCIA opposes Senate Bill 845, which would require the employer at the employment where the accidental personal injury or occupational disease occurred or its insurer to pay a temporarily partially disabled covered employee who holds concurrent employment compensation that equals two-thirds of the average weekly wage of the covered employee under certain circumstances. An injured worker who is unable to perform at the job where the injury occurred but still able to perform at a concurrent employment should not receive disability benefits as if they were completely unable to work.

For these reasons, APCIA urges the Committee to provide an unfavorable report on Senate Bill 845.

Nancy J. Egan,

State Government Relations Counsel, DC, DE, MD, VA, WV

Nancy.egan@APCIA.org Cell: 443-841-4174

SB 845_MAA_UNF.pdf

Uploaded by: Tim Smith

Position: UNF

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March 5th, 2024

Senator Pam Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

RE: SB 845 – UNFAVORABLE – Workers’ Compensation – Temporary Partial Disability – Concurrent Employment

Dear Chair Beidle and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 845 proposes changes to workers’ compensation laws regarding temporary partial disability benefits for workers with concurrent employment. It requires employers to compensate workers if they are temporarily disabled from their primary job but can still work at a concurrent job, at a higher rate.

MAA opposes this legislation because it poses significant challenges and burdens for employers in our industry. The requirement to pay compensation for temporarily disabled workers with concurrent employment places undue financial strain on employers, notably smaller operations grappling with increased costs. The eligibility criteria outlined in the bill are vague and open to interpretation, leading to potential inconsistencies and disputes in determining who qualifies for compensation. This ambiguity creates uncertainty for employers and could result in increased administrative burdens and expenses associated with claims processing and dispute resolution.

We appreciate you taking the time to consider our request for an **UNFAVORABLE** report on Senate Bill 845.

Sincerely,

A handwritten signature in black ink that reads "Tim Smith". The signature is written in a cursive, flowing style.

Tim Smith, P.E.
President
Maryland Asphalt Association