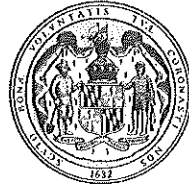


STATE OF MARYLAND

WES MOORE  
GOVERNOR

EDGAR G. DODD, III  
DIRECTOR



VALERIE E. FRALING  
ZERITA HOLLY-ROSS  
AARON T. BAST

THE SUBSEQUENT INJURY FUND  
222 SCHILLING CIRCLE – SUITE 180  
HUNT VALLEY, MARYLAND 21031  
410-527-4010 • FAX: 410-527-4011

**Subsequent Injury Fund**

**C94I00**

**HB1486 Workers' Compensation – Average Weekly Wage – Multiple  
Employers  
Opposition Testimony**

House Economic Matters Committee

120 House Office Building

Annapolis, MD 21401

March 11, 2026

Delegate Kriselda Valderrama, Committee Chair

The Subsequent Injury Fund is an independent agency, created under Section 802 of the Maryland Annotated Code. The Fund was created to encourage the hiring of workers with preexisting disabilities by assuming financial responsibility for a permanent impairment due to an accident, disease or congenital condition that is, or is likely to be, a hindrance to employment when combined with the effects of a subsequent compensable job related accident, personal injury or occupational disease.

The Subsequent Injury Fund annual operating budget and benefit payments are funded by a 6.5% assessment on awards passed by the Maryland Workers' Compensation Commission against employers or insurers for employee job related injury(s) that result in permanent disability or death. Financial compensation paid by employers or insurers under settlement agreements are also subject to the Subsequent Injury Fund 6.5% assessment.

Fiscal year 2025 operating expenses were \$3,301,583.00. Fiscal year 2025 benefit payments were \$17,561,058.00. The FY 2025 Subsequent Injury Fund operating expense and benefit payment ratio was 18.8%.

## **HB1486 Subsequent Injury Fund opposition testimony, page 2**

The fiscal year 2025 Subsequent Injury Fund closing balance was \$140,473,266.00. This represents a one year 7.5% balance increase. The estimated FY 2026 closing balance is \$148,881,000.00.

An actuary study completed in March, 2026, found Subsequent Injury Fund liabilities between \$258.9 million and \$358.4 million based on disabled and healthy mortality assumptions.

HB1486 introduces wage stacking to the Maryland Workers' Compensation system. The bill will adjust the average weekly wage calculation in multiple employment situations by using the sum of the injured workers earnings from all current jobs to calculate the weekly Workers' Compensation benefit payment amount.

The bill requires direct SIF reimbursement to the insurance company or self-insured employer of record for the difference between the benefit amount calculation based on the on-the-job accident average weekly wage and the enhanced wage stacking benefit amount.

The Subsequent Injury Fund was created to encourage the hiring of Maryland workers with preexisting impairments. HB1486 will place additional fiscal responsibility on the Subsequent Injury Fund for non-impairment related reasons.

The introduction of a new liability category, without a corresponding revenue adjustment, will have a negative fiscal impact on the Fund.

HB1486 will place downward pressure on SIF reserves. A reduction in the Fund balance carries a threat to future solvency.

An actuary study completed in March, 2026 was limited to the adequacy of SIF reserves to meet current and future permanent disability benefit payments to severely injured Maryland workers. The expansion of SIF fiscal liability proposed by HB1486 was not part of the actuarial analysis.

HB1486 will increase claims processing costs to Maryland insurance companies and self-insured employers. Investigating and resolving potential average weekly wage disputes and invoicing and recording SIF reimbursement payments will require additional personnel time.

**HB1486 Subsequent Injury Fund opposition testimony, page 3**

HB1486 will further increase the fiscal burden on Maryland insurance companies and self-insured employers if an increase in the current 6.5% assessment rate becomes necessary to avert SIF insolvency.

Based on the fiscal impact on the Subsequent Injury Fund and the Maryland Workers' Compensation system, an unfavorable HB1486 committee vote is recommended.

Respectfully submitted,  
Edgar G. Dodd  
Director, Subsequent Injury Fund