

## **HB 2337 -1 STAFF MEASURE SUMMARY**

### **House Committee On Business and Labor**

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**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 2/6, 2/22

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#### **WHAT THE MEASURE DOES:**

Increases minimum and maximum workers' compensation benefits for permanent total disability and permanent partial disability.

- No revenue impact
- Fiscal statement has been issued
- MLAC supports with the -1 amendment

#### **ISSUES DISCUSSED:**

- Additional study needed by agency before increasing permanent partial disability benefits
- Ability of Worker Benefit Fund to absorb cost associated with increased benefits
- Reasoning agency used to select benefit levels proposed in measure
- Retroactive Program for adjusting benefits to those injured prior to effective date

#### **EFFECT OF AMENDMENT:**

-1 (Requested by the Workers' Compensation Division) Deletes proposed increase to permanent partial disability benefit to worker released to return to work or worker who has returned to work.

#### **BACKGROUND:**

In the workers' compensation system, a permanent total disability is the loss, including a preexisting disability, of use or function of any portion of the body which permanently prevents the worker from regularly performing work in a gainful and suitable occupation. A "suitable" occupation is one in which the worker has the ability and training or experience to perform, or an occupation the worker can perform after rehabilitation. The Workers' Compensation Division reports that there are about 600 people receiving benefits for a permanent total disability, and about 10 new awards are made each year. An injured worker may receive a permanent total disability benefit for their lifetime. The maximum benefit is two-thirds of the worker's wage, capped at Oregon's average weekly wage (currently \$974.20). The minimum benefit is 90 percent of the worker's wage or \$50, whichever is lower.

House Bill 2337 increases the permanent total disability maximum benefit to two-thirds of the worker's wage, capped at 133 percent of the Oregon's average weekly wage (which would calculate at \$1,295.69). The measure also increases the minimum benefit to one-third of Oregon's average weekly wage (which would calculate at \$321.49). Finally, the measure increases the permanent partial disability benefit for those workers who have been released to return to work or has actually returned to work by increasing the multiplier from 100 percent to 133 percent of Oregon's average weekly wage. House Bill 2337 applies to injuries occurring on or after the effective date of the Act; however benefit levels for those injured prior to the effective date will be adjusted subject to the Retroactive Program established in statute (ORS 656.506).