

*Only Impacts on Original or Engrossed Versions are Considered Official*

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**Measure Description:**

Increases workers' compensation benefits for permanent total disability.

**Government Unit(s) Affected:**

Department of Consumer and Business Services (DCBS)

**Summary of Expenditure Impact:**

	<b>2017-19 Biennium</b>	<b>2019-21 Biennium</b>
Other Funds	2,566,428	3,456,077
<b>Total Funds</b>	<b>\$2,566,428</b>	<b>\$3,456,077</b>
Positions	0	0
FTE	0.00	0.00

**Analysis:**

This bill increases workers' compensation benefits Permanent Total Disability (PTD). A worker's PTD benefits are based on the law in effect at the time of injury, but the law requires PTD benefits to be adjusted each year to reflect current benefits. Insurers pay the current benefit level and request reimbursement from the Worker's Benefit Fund (WBF) for the difference between the statutory benefit and the current benefit.

There are currently approximately 600 permanently and totally disabled workers who are eligible for this benefit adjustment. In fiscal year 2015, DCBS reimbursed approximately \$12 million from the Workers Benefit Fund for this purpose.

Under this bill, the Workers Benefit Fund will have additional expenditures for benefit increases to existing PTD claims of about \$1.7 million per year. The bill takes effect on January 1, 2018. The cost to the WBF for the 2017-2019 biennium is estimated to be \$2.5 million. The Workers' Benefit Fund balance is sufficient to absorb this expenditure. The Workers' Benefit Fund is funded through a payroll assessment on Oregon workers. The increase in benefits under this bill is not expected to require an increase in the current assessment rate.

The change to PTD benefits in this bill will not impact staffing or workload at DCBS, as existing staff will have no change to processes or procedures for reimbursing insurers and self-insured employers.