

HB 2337 A STAFF MEASURE SUMMARY

Carrier: Rep. Barreto

House Committee On Business and Labor

Action Date: 03/08/17

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Barreto, Bynum, Doherty, Evans, Fahey, Hack, Heard, Holvey, Kennemer

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Jan Nordlund, LPRO Analyst

WHAT THE MEASURE DOES:

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

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:

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 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; the designation can include a preexisting disability. 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 Department of Consumer and Business Services reports that there are about 600 people currently receiving benefits for a permanent total disability, and that about 10 new awards are made each year. An injured worker may receive a permanent total disability benefit for their lifetime. The benefit is two-thirds of the worker's wage, but 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-A 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). House Bill 2337-A applies to injuries occurring on or after the effective date of the measure; 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).