



Senate

General Assembly

File No. 25

February Session, 2006

Substitute Senate Bill No. 25

Senate, March 20, 2006

The Committee on Labor and Public Employees reported through SEN. PRAGUE of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING SOCIAL SECURITY OFFSETS UNDER THE WORKERS' COMPENSATION ACT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 31-307 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) If any injury for which compensation is provided under the
4 provisions of this chapter results in total incapacity to work, the
5 injured employee shall be paid a weekly compensation equal to
6 seventy-five per cent of [his] the injured employee's average weekly
7 earnings as of the date of the injury, calculated pursuant to section 31-
8 310, as amended, after such earnings have been reduced by any
9 deduction for federal or state taxes, or both, and for the federal
10 Insurance Contributions Act made from such employee's total wages
11 received during the period of calculation of the employee's average
12 weekly wage pursuant to [said] section 31-310, as amended; but the
13 compensation shall not be more than the maximum weekly benefit rate

14 set forth in section 31-309 for the year in which the injury occurred. No
15 employee entitled to compensation under this section shall receive less
16 than twenty per cent of the maximum weekly compensation rate, as
17 provided in section 31-309, provided the minimum payment shall not
18 exceed seventy-five per cent of the employee's average weekly wage,
19 as determined under section 31-310, as amended, and the
20 compensation shall not continue longer than the period of total
21 incapacity.

22 (b) Notwithstanding the provisions of subsection (a) of this section,
23 any employee who suffers any injury or illness caused by [his] the
24 employer's violation of any health or safety regulation adopted
25 pursuant to chapter 571 or adopted by the federal Occupational Safety
26 and Health Administration and listed in 29 CFR, Chapter XVII, after
27 the violation has been cited in accordance with the provisions of
28 section 31-375 or the provisions of the Occupational Safety and Health
29 Act of 1970, 84 Stat. 1601 (1970), 29 USC 658 and not abated within the
30 time fixed by the citation, provided the citation has not been set aside
31 by appeal to the appropriate agency or court having jurisdiction, shall
32 receive a weekly compensation equal to one hundred per cent of the
33 employee's average weekly earnings at the time of the injury or illness.

34 (c) The following injuries of any person shall be considered as
35 causing total incapacity and compensation shall be paid accordingly:
36 (1) Total and permanent loss of sight of both eyes, or the reduction to
37 one-tenth or less of normal vision; (2) the loss of both feet at or above
38 the ankle; (3) the loss of both hands at or above the wrist; (4) the loss of
39 one foot at or above the ankle and one hand at or above the wrist; (5)
40 any injury resulting in permanent and complete paralysis of the legs or
41 arms or of one leg and one arm; (6) any injury resulting in incurable
42 imbecility or mental illness.

43 (d) An employee who has suffered the loss or loss of the use of one
44 of the members of [his] the body, or part of one of the members of [his]
45 the body, or the reduction of vision in one eye to one-tenth or less of
46 normal vision, shall not receive compensation for the later injury in

47 excess of the compensation allowed for the injury when considered by
 48 itself and not in conjunction with the previous incapacity except as
 49 provided in this chapter.

50 [(e) Notwithstanding any provision of the general statutes to the
 51 contrary, compensation paid to an employee for an employee's total
 52 incapacity shall be reduced while the employee is entitled to receive
 53 old age insurance benefits pursuant to the federal Social Security Act.
 54 The amount of each reduced workers' compensation payment shall
 55 equal the excess, if any, of the workers' compensation payment over
 56 the old age insurance benefits.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	31-307

LAB *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Dept. of Administrative Services - Workers' Comp. Claims	GF - Cost	69,000	97,000
Dept. of Administrative Services - Workers' Comp. Claims	TF - Cost	17,000	24,000
Children & Families, Dept.	GF - Cost	34,000	48,000
Correction, Dept.	GF - Cost	87,000	122,000
Department of Mental Retardation	GF - Cost	51,000	73,000
Mental Health & Addiction Serv., Dept.	GF - Cost	36,000	51,000
Public Safety, Dept.	GF - Cost	13,000	18,000
Treasurer	SIF - Cost	165,000	165,000

Note: GF=General Fund; TF=Transportation Fund; SIF=Second Injury Fund

Municipal Impact:

Municipalities	Effect	FY 07 \$	FY 08 \$
Various Municipalities	STATE MANDATE - Cost	Minimal	Minimal

Explanation

This bill eliminates the social security offset for individuals receiving workers' compensation benefits. This will increase workers' compensation costs to the state and municipalities. This bill is a state mandate on municipalities.

It is estimated that workers' compensation costs may increase up to one half of one percent (0.5%) as a result of this bill. This would increase General Fund workers' compensation costs up to \$290,000 in FY 07 (nine months) and up to \$409,000 in FY 08.¹ It is estimated that

¹ FY 07 cost estimates are based on the funding for workers' compensation claims costs appropriated in the Governor's FY 2006-07 midterm budget adjustments, HB

Transportation Fund workers' compensation costs would increase up to \$17,000 in FY 07 (nine months) and up to \$24,000 in FY 08.

It is estimated that this bill will increase costs to the Second Injury Fund by \$165,000 in both FY 07 and FY 08 as a result of increases in future concurrent employment claims and the indemnity portion of future uninsured employer claims. The Second Injury Fund is projected to have \$44 million in claims payouts in FY 07.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

5007, (\$77.3 million for GF and \$4.6 million for TF). FY 08 cost estimates are based on OFA workers' compensation FY 08 projections (\$81.8 million for GF and \$4.9 million for TF).

OLR Bill Analysis
sSB 25

AN ACT CONCERNING SOCIAL SECURITY OFFSETS UNDER THE WORKERS' COMPENSATION ACT.

SUMMARY:

This bill eliminates the requirement that workers' compensation wage replacement benefits be reduced by an amount equal to any Social Security retirement benefits to which the injured worker is entitled. Under current law, a person receiving Social Security retirement benefits who is eligible for workers' compensation total disability payments receives workers' compensation only if the compensation payment exceeds his Social Security benefit, and he receives only the amount of workers' compensation in excess of his Social Security benefit. This applies to worker injuries that take place on or after July 1, 1993 (the effective date of the law creating the offset). Under the bill, the injured worker can receive both the workers' compensation and Social Security benefits with no offset.

Workers' compensation total disability benefits are payable to workers who cannot work because of a job-related injury or illness. Social Security retirement benefits are payable to eligible retirees once they reach age 62.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 12 Nay 1 (03/07/2006)

