



# Senate

General Assembly

**File No. 70**

January Session, 2011

Substitute Senate Bill No. 23

*Senate, March 17, 2011*

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 EMPLOYEES INJURED BETWEEN 1993 AND 2006 AND 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. (*Effective from passage*) (a) On or before July 1, 2011, each  
2 employer in the state, or the employer's insurer, shall provide an  
3 electronic list to the chairman of the Workers' Compensation  
4 Commission identifying any employee who made a claim to the  
5 Workers' Compensation Commission for an injury that occurred  
6 between July 1, 1993, and May 30, 2006, and began receiving  
7 compensation for total incapacity pursuant to section 31-307 of the  
8 general statutes and (1) had his or her compensation for total  
9 incapacity reduced as a result of being eligible to receive old age  
10 insurance benefits pursuant to the federal Social Security Act, and (2) is  
11 still receiving such compensation. Such list shall also include  
12 confirmation from the employer or the employer's insurer that each  
13 employee identified pursuant to this subsection has been provided

14 written notice, at such employee's last known address, from the  
15 employer or the employer's insurer, that he or she may be entitled to  
16 an increase in his or her compensation payment beginning January 1,  
17 2012.

18 (b) On or after October 1, 2011, the chairman of the Workers'  
19 Compensation Commission shall mail a written confirmation letter to  
20 each employee identified in the list provided by an employer or the  
21 employer's insurer that such employee should have received notice  
22 that they may be entitled to an increase in his or her compensation  
23 beginning January 1, 2012. Any employee who did not receive a notice  
24 from his or her employer shall be instructed to call the Workers'  
25 Compensation Commission.

26 (c) On or before January 1, 2012, the chairman of the Workers'  
27 Compensation Commission shall order an adjustment of the  
28 compensation paid on and after such date to any employee meeting  
29 the requirements of subsection (a) of this section and identified in the  
30 list provided by an employer or an employer's insurer to the amount of  
31 compensation owed the employee without the reduction for old age  
32 insurance benefits.

33 (d) No employee identified pursuant to subsection (a) of this  
34 section, who is provided additional compensation for total incapacity  
35 pursuant to subsection (c) of this section, shall be eligible for additional  
36 compensation for any compensation payments received prior to  
37 January 2, 2012.

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

**LAB**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

| Agency Affected  | Fund-Effect              | FY 12 \$ | FY 13 \$ |
|--|--------------------------|----------|----------|
| Department of Administrative Services - Workers' Comp. Claims  | GF & TF - Potential Cost | Minimal  | Minimal  |
| Dept's of Children & Families, Corrections, Developmental Services, Mental Health & Addiction Services & Public Safety | GF - Potential Cost      | Minimal  | Minimal  |

Note: GF=General Fund; TF = Transportation Fund

**Municipal Impact:**

| Municipalities     | Effect                         | FY 12 \$ | FY 13 \$ |
|--------------------|--------------------------------|----------|----------|
| All Municipalities | STATE MANDATE - Potential Cost | Minimal  | Minimal  |

**Explanation**

The bill requires an increase in workers' compensation total incapacity benefits to claimants who are still subject to the Social Security offset. This results in a minimal fiscal impact to the State and municipalities. The number of individuals affected by the bill who: 1) began receiving total incapacity workers' compensation benefits between 1993-2006; 2) had their benefits reduced because they were eligible to receive social security retirement benefits; and 3) are still receiving such workers' compensation benefits, is anticipated to be very low.

**The Out Years**

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

**OLR Bill Analysis****sSB 23*****AN ACT CONCERNING EMPLOYEES INJURED BETWEEN 1993 AND 2006 AND SOCIAL SECURITY OFFSETS UNDER THE WORKERS' COMPENSATION ACT.*****SUMMARY:**

Current law reduces the workers' compensation total incapacity benefits a claimant injured between July 1, 1993 and May 30, 2006 receives by the amount of any Social Security retirement benefits he or she is entitled to receive. This bill requires employers and their insurers to identify employees who (1) made claims to the Workers' Compensation Commission for injuries that occurred during this time period and (2) are still receiving benefits reduced by the Social Security offset.

By July 1, 2011, the bill requires employers and insurers to provide the commission's chairman with (1) an electronic list of such claimants and (2) confirmation that identified claimants were given written notice at their last-known addresses that they may be entitled to an increase in benefits. Starting on October 1, 2011, the chairman must also (1) mail a written confirmation letter to identified claimants stating that they should have received notice and may be entitled to an increase in benefits and (2) instruct someone who did not receive a notice from their employer to call the commission.

By January 1, 2012, the chairman must order benefits to be paid to identified employees without subtracting Social Security benefits. Employees are not eligible for retroactive additional compensation for any payments received before January 2, 2012.

EFFECTIVE DATE: Upon passage

**BACKGROUND*****Social Security Offsets***

PA 93-228 required total disability benefits for an injury that took place on or after July 1, 1993 to be reduced by any amount a claimant received or was entitled to receive in Social Security retirement benefits. PA 06-84 eliminated the Social Security offset. It allowed injured workers to receive both Social Security and workers' compensation benefits with no reduction, if the compensable injury occurred on or after May 30, 2006.

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.

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 7 Nay 4 (03/01/2011)