

# LAWMAKER REVIEW



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## BILL WOULD MANDATE INCREASE IN L&I COSTS SB 5217

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SB 5217, sponsored by Senator Karen Keiser (D–Kent), would mandate an unprecedented increase in the amount of time-loss (wage replacement) payments that injured workers receive while unable to return to work.

While no one questions the necessity of the workers' compensation system and the replacement of a fair representation of wages while a worker recovers from a work-related injury, SB 5217 would create a situation in which workers could receive far more in time-loss benefits than if they were working full time at their regular job.

Currently, workers receive between 60-70 percent of their wages (tax-free) depending upon how many dependents they have. The average benefit today is about 64 percent. Under this bill, all workers regardless of dependent status would receive 70 percent of their wage at the time of injury, tax-free. This is an average increase of almost 10 percent and would be among the highest flat rates in the nation.

In addition, and possibly more concerning is the way in which one's current wage is to be calculated. Currently, wages are averaged over a year or more to determine a fair wage. Under the bill, wages from only a three month period would be used, which in a seasonal industry or in a situation where a worker had a short-term high-wage job (prevailing wage), would result in a grossly overstated wage rate and often a time-loss benefit that exceeds a wage while working. Such a situation would result in a loss of incentive to return to gainful employment. The resulting cost increases to employers and the workers' compensation system would be significant.

BIAW and the larger business community strongly oppose this new and unnecessary change to the workers' compensation system that will result in a lower rate of return to work and higher costs for employers.

SB 5217 will be opposing at a hearing Tuesday, Jan. 22.