

SB 705

REDUCE WORKERS' COMPENSATION PAY DISPARITY

PROBLEM

The formula for calculating workers compensation based on after-tax pay insurance is unfair because it assumes all workers pay the same rates. That means workers compensation pays a lower percentage of take home pay to people who earn less - the very people who are living paycheck to paycheck.

Today a worker in a family with two children who earns \$28,496 a year loses 31% of their income but a worker earning \$83,200 loses only 17%.

WAGES BELOW SAWW REPLACED AT 80%



WAGES ABOVE SAWW REPLACED AT 66.66%



TOTAL BENEFIT AMOUNT, CAPPED AT 133% OF SAWW

EXAMPLE:

A: Worker who makes wages below the SAWW will be replaced at 80%.

B: Worker who makes wages above the SAWW will receive 80% for monies below the SAWW in addition to 66.66% of wages above SAWW, with a cap on benefits of 133% of the SAWW.

HOW SB 705 WILL HELP

SB 705 will change the compensation formula for workers so that their workers' benefit that is closer to their net average weekly wage of compensation of the worker pre-injury in order for them to focus on fully healing. The bill would increase time loss benefits from 66.6% to 80% of the states average weekly wage (SAWW), maintaining the cap on benefits at 133% of the states average weekly wage for temporary total disability claims.

