#### WORKERS' COMPENSATION

# MANAGEMENT-LABOR ADVISORY COMMITTEE Average Weekly Wage Subcommittee Committee Meeting

August 22, 2025 1:00 p.m.– 3:00 p.m.

### Committee members present via zoom:

Scott Strickland, Sheet Metal Workers Local 16 Stacy Lewallen, Fortis Construction Inc.

### Staff:

Teri Watson, MLAC Committee Administrator Baaba Ampah, MLAC Assistant

Agenda Item	Discussion
Opening	Welcome:
(00:00:00)	Co-chair Scott Strickland called the meeting to order.
	Data on claims
(00.04.04)	Data related to PLO – Andrew Powell, DCBS, Research Team
(00:01:24)	Andrew Powell presented <u>Analysis of Wage Limits for Oregon Benefits</u> .
(00:16:22)	Andrew Powell ended his presentation.
(00:16:58)	Andrew Powell will double check Co-chair Strickland's question if Paid Leave Oregon includes continuation of benefit and health care. Rafael Robles, DCBS Research Team, referenced that the middle income between 65% and 120% of the State Average Weekly Wage (SAWW), and calculated that workers will get 99% of normal take home if at 65% of SAWW and will receive 77% of the SAWW at 120%.
(00:18:57)	Teri Watson referenced documents from Matt Lawrence, Perez-Selsky Druckenmiller (PSD) Law Office: <u>Guide to Taxation of Employee Disability Benefits</u> , <u>IRS - Taxable and Nontaxable Income</u> , and <u>Paid Leave Oregon benefits</u> .
(00:20:56)	Policy Discussion – o Average weekly wage for low-income workers The co-chairs noted that a lot of requested data have been presented, and the subcommittee has a lot of information. Co-chair Strickland proposed stakeholders driven problems and solutions, so policy discussions could flow around the proposals. Co-chair Lewallen added that the -2 amendment to SB 705, was a good place to start the discussion to create the subcommittee, and the assignment was to allow the co-chairs and stakeholders to collect thoughts on how it could work, that would lead to concrete ideas.

- (00:24:44) Lamar Wise, Oregon AFSCME, mentioned that the original intent around workers' compensation is to support the injured worker and their dependents until they return to work. He noted the data has shown that low wage workers are high utilizers of 66 2/3 and the cost of living has increased. Lamar Wise noted that the proposal discussions should be about how much the 66 2/3 rule needs to be increased by and how to stay clear of any tax consequences associated with increasing the benefit, in a balanced way.
- (00:28:12) Co-chair Lewallen iterated that she is looking forward to ideas with specific numbers that is balanced between labor and management, while being supported by the system. She suggested starting the discussion with SB 705 -2 amendment, and tie it to a metric that is used by a state agencies to gain consistency.
- (00:31:37) In regards to Paid Leave Oregon, Paloma Sparks, Oregon Business and Industry, noted that employees pay majority of the program, and some employers do not pay into it at all. It is not an accurate comparison. She encouraged looking at how other states have approached the problem such as Washington. Co-chair Lewallen added that she would love to hear ideas from stakeholders with existing data points, and keeping the solution as simple as possible with metrics that already exists.
- (00:34:42) In response to Paloma Sparks, Lamar Wise mentioned that dependents need to be part of the discussion, but noted that in order to make progress on the policy, dependents could be included in later legislations. He stated that workers feel attacked so, this solution is a signal to prioritizing workers. Lamar Wise noted that elements of the solution should include the years of a phase in and a percentage without tax consequences. He asked if there are any things that should be taken into account while providing a the solution.
- (00:37:34) Co-chair Lewallen suggested incorporating data from past MLAC meetings in the proposals. She clarified that her intention is not for a big proposal, but rather a simple solution. Co-chair Strickland clarified that co-chair Lewallen's point is a simple solution that will be sent to NCCI to get information on cost, with policy discussion afterward to make sure it is a balance approach. Co-chair Lewallen agreed, adding that the request is identifying factors that will be beneficial and identifying the taxed/non-taxed benefits to clarify its impacts.
- (00:40:56) Co-chair Strickland encouraged any helpful additional perspective to policy discussion. Thais Lomax, Sedgwick, shared that the discussion so far has not brought up supplemental disabilities for injured workers who have multiple jobs at the time of injury. She encouraged stakeholders to consider how to structure the review of multiple jobs when looking at the based average weekly wage (AWW). Thais Lomax shared that her team is working on some solutions based on the data presented.

- (00:44:15) Co-chair Strickland referenced a previous data presentation, asking if the income bracket was based on total income or just the income at the job for the employer at injury. Rafael Robles answered that the income bracket was based on the back calculation on the employees payouts. As long as the worker reported the additional jobs, then it should be accounted for. Thais Lomax added that the majority of people receiving supplemental disability benefit are not paid by the workers' compensation claim, but rather separately through Compro utilizing the state funds. Thais went on to indicate that the current review of qualifiable indicators, and how payment is made separately but with a cap to the overall AWW between the benefits.. She expressed concern that a tiered review will affect future calculations.
- (00:47:13) Co-chair Strickland asked about a number of claims where that concern could be triggered. Thais Lomax responded that will have to review and talk to Compro, she noted that her major concern is a lot of injured workers are getting hurt at their part time job, not their main job, which might categorizing them as a low-income worker. Co-chair Strickland thanked Thais Lomax for her feedback.
- (00:48:55) Teri Watson referred stakeholders to the MLAC website, including WCD Policy Analyst, Summer Tucker's presentation on <u>Temporary Disability Rates</u> in other states.
- (00:51:07) Teri Watson announced the September 4<sup>th</sup> MLAC meeting, noting that stakeholders might present their ideas during that meeting and the final meeting could be September 26<sup>th</sup>. Co-chairs encouraged stakeholders to share their ideas as soon as possible.
- (00:54:05) Co-chairs gave an unofficial soft deadline of September 29<sup>th</sup>.

## Anything else that should be included. Public Comment/Stakeholder Feedback

- (00:55:38) Odalis Aguilar-Aguilar noted that in a previous meeting, a stakeholder had mentioned not to reinvent the definition of average weekly wage and asked if there anything else to stay away from. She encouraged stakeholders to reach out to her for any advice.
- (00:57:02) Co-chair Strikland adjourned the meeting at 1:57 p.m.

<sup>\*</sup>These minutes include time stamps from the meeting video found here: https://www.youtube.com/watch?v=Lt6maBC94xw

<sup>\*\*</sup>Referenced documents can be found on the MLAC Meeting Information page here: <a href="https://www.oregon.gov/DCBS/mlac/Pages/access-to-care-subcommittee.aspx">https://www.oregon.gov/DCBS/mlac/Pages/access-to-care-subcommittee.aspx</a>