

LEGISLATIVE FISCAL OFFICE **Fiscal Note**

Fiscal Note On: SB **159** SLS 14RS 430

Bill Text Version: ORIGINAL

Opp. Chamb. Action: Proposed Amd.:

Sub. Bill For .:

Date: April 14, 2014 4:32 PM **Author: MURRAY**

Dept./Agy.: Workforce Commission

Analyst: Patrice Thomas **Subject:** Calculation of Annual Wages for Benefit Payment

WORKERS' COMPENSATION

OR NO IMPACT GF EX See Note Page 1 of 1 Provides relative to definition of wages. (gov sig)

Present law provides that the calculation of workers' compensation benefits is based upon the manner in which the employee is paid for their work. Present law provides that if the employee is employed at an annual salary, his annual salary will be divided by 52 in order to calculate his workers' compensation benefits. Proposed law provides that even though the employee has not yet received the first paycheck of the employee's annual salary, the employee's workers' compensation benefit will be computed by dividing his annual salary by 52 weeks. Proposed law provides that if the individual is a salaried employee but the employer and employee have agreed by contract that the salary will be paid during regular occurring periods of less than 52 weeks, the employee's wages will be calculated by dividing the employee's total contractually agreed upon salary by the number of weeks provided for in the employment contract so long as the employee is not a seasonal worker.

| EXPENDITURES | 2014-15 | 2015-16 | 2016-17 | 2017-18 | <u>2018-19</u> | 5 -YEAR TOTAL |
|----------------|------------|------------|------------|------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| REVENUES | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 5 -YEAR TOTAL |
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed legislation modifies the method of calculation of annual wages for the purposes of workers' compensation benefit payment. The Office of Worker's Compensation Administration (OWCA) within the Louisiana Workforce Commission (LWC) establishes standards of payment, review procedures of injured worker claims, and receive, process, hear and resolve legal actions in compliance with State statutes. The OWCA does not pay worker compensation benefits.

REVENUE EXPLANATION

Change {S&H}

There is no anticipated direct material effect on governmental revenues as a result of this measure.

| <u>Senate</u> | Dual Referral Rules | <u>House</u> | 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | John D. Capater | = |
|---------------|----------------------------------|--------------|---|----------------------------|---|
| 13.5.1 >= 9 | \$100,000 Annual Fiscal Cost {S& | H} | $6.8(F)(2) >= $500,000 \text{ State Rev. Reduc. } \{H \& S\}$ | | |
| T 13 5 2 >= 9 | \$500,000 Annual Tax or Fee | | | John D. Carpenter | |
| Change (C2H) | | | 0.0(d) >= \$300,000 Tax of Fee Increase | Legislative Fiscal Officer | |

or a Net Fee Decrease {S}