
The original instrument was prepared by Thomas L. Tyler. The following digest, which does not constitute a part of the legislative instrument, was prepared by Mary Dozier O'Brien.

DIGEST

Quinn (SB 143)

Proposed law provides that the term "payroll" for purposes of determining the premium rate to be paid for workers' compensation coverage shall not include any bonus paid by an employer that meets all of the following criteria:

- (1) Payment is not part of an oral or written employment agreement.
- (2) Payment is paid as an arbitrary and gratuitous disbursement.
- (3) Payment is paid at the sole discretion of the employer.
- (4) Payment is paid only once a year, in the month immediately before or after the employer's fiscal year end close.
- (5) The employee has previously been paid wages by the employer in the twelve- month period prior to the receipt of the bonus.
- (6) Payment does not exceed ten percent of the wages previously paid to the employee for the year.

Proposed law, relative to workers' compensation, provides that "wages" and the determination of average weekly wage at the time of the accident shall not include any bonus paid by an employer which meets all of the following criteria:

- (1) Payment is not part of an oral or written employment agreement.
- (2) Payment is paid as an arbitrary and gratuitous disbursement.
- (3) Payment is paid at the sole discretion of the employer.
- (4) Payment is paid only once a year, in the month immediately before or after the employer's fiscal year end close.
- (5) The employee has previously been paid wages by the employer in the twelve- month period prior to the receipt of the bonus.
- (6) Payment does not exceed ten percent of the wages previously paid to the employee for the year.

Effective August 15, 2011.

(Amends R.S. 23:1021(intro para); adds R.S. 22:1452(C)(15.1) and R.S. 23:1021(11.1) and (12)(h))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Labor and Industrial Relations to the original bill.

1. Amendments provide a detailed definition of an unanticipated bonus, including six criteria that shall all be met to avoid including the bonus amount for purposes of determining a premium rate for workers' compensation coverage.
2. Amendments provide a detailed definition of an unanticipated bonus, including six criteria that shall all be met to avoid including the bonus amount in the calculation of "wage" and the average weekly wage at the time of a workers' compensation covered accident.