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UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

February 15, 2022

The Honorable Kelly Merrick
Alaska State House
State Capital Room 511
Juneau, Alaska 99801

The Honorable Neal Foster
Alaska State House
State Capital Room 505
Juneau, Alaska 99801

Re: Support for HB 30- WORKERS COMPENSATION BENEFITS

Co-Chairs Merrick and Foster, and members of the committee:

Alaska's compensation levels for permanent injury and death on the job have not been increased in 21 years. We offer our wholehearted support for HB 30, which simply aims to update substantive workers' compensation benefits for Alaska's workers. While we cannot speak for everyone in the construction industry, we can confidently say that most folks in the trades believe the time to update substantive workers' compensation benefits is woefully overdue.

HB 30 is pretty straightforward. The base amount used to calculate Permanent Partial Impairment (PPI) has not been adjusted since 2000, and Alaska consistently ranks near the bottom nationally for its current rates. The bill simply increases PPI rates for inflation from \$177,000 to \$273,000, about average amongst states. Importantly, the bill finally adjusts the monetary compensation for death benefits for non-child dependents. It's almost shocking that the current aggregate limit set in statute of \$20,000 for dependent parents, grandchildren, or

siblings has not been adjusted since 1968—a level set when Lyndon Johnson was President. HB 30 adjusts this rate for inflation and sets the new amount at \$150,000. The bill also increases the amount provided to a family for funeral expenses.

Importantly for our industry, HB 30 addresses some inequity when it comes to providing continued financial benefits to orphaned children. Under current law, orphaned children are cut off from financial benefits at 19 unless they attend four years in a post-secondary institution. Under HB 30, benefits for orphaned children of single workers extend to age 23 across the board. Through this change, orphaned children can pursue a career through an apprenticeship in the trades or the military without fear of losing critical death benefits.

Workers' Compensation is the exclusive remedy for workers who are injured or killed on the job. It's "the Grand Bargain"—in exchange for protection from lengthy and expensive lawsuits, employers pay benefits to workers injured on the job regardless of fault. But Alaska law requires that the system be fair- both to employers and employees. We believe that Alaska's workers are losing the benefit of "the Grand Bargain" in Workers' Compensation. This bill will go a long way to ensuring once again that workers are adequately compensated, and their families protected, when they are injured or killed on the job. We thank Rep. Andy Josephson, a tireless advocate for workers, for advancing this legislation, and we offer our strong support for the measure.

Sincerely,

A handwritten signature in black ink, appearing to be 'CD', written in a cursive style.

Chris Dimond, Alaska Regional Manager
Pacific Northwest Regional Council of Carpenters

CC: Rep. Andy Josephson