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# ALASKA STATE LEGISLATURE



*Serving Midtown,  
University, and  
East Anchorage  
neighborhoods*

REPRESENTATIVE ANDY JOSEPHSON

## Explanation of Changes

### **House Bill 38: Version A to Version N.A**

#### **Version A to Version O**

#### **Section 2**

Page 1, line 13

In 2015 a report, commissioned by Representative Josephson to the Office of Legislative Research, indicated that the partial impairment ratings payout of \$177,000 in 2000 would be adjusted for inflation to the value of \$255,854 at the end of 2014. Legislative Research has determined that this number, provided two years ago, was in error. They have also determined that the \$177,000 in 2000 would be adjusted to the value of \$255,506 in 2016.

This figure was reduced from \$255,854 to \$255,506 to reflect what the payout adjusted for inflation would be at the end of 2016.

#### **Section 4**

Page 3, line 16

Version A of the bill amended the death benefit given to the financially dependent family members of the deceased, if there is no surviving spouse or children, to be limited to the amount payable under AS 23.30.190(a), which defines compensation for permanent partial impairment. Current statute limits this benefit to a maximum of \$20,000, version A of the bill would change this maximum benefit from \$20,000 to the full PPI benefit, or \$255,854 under version A.

In version J of the bill, the aggregate maximum value for this death benefit is no longer tied to the value of the PPI, but is assigned a hard value of \$100,000, an \$80,000 increase from current statute. This aggregate maximum has not been adjusted for inflation for 52 years, and if adjusted for inflation would be approximately \$150,000.

#### **Section 4**

Page 3, line 21

In version A the death benefit to the family of the deceased with no surviving spouse, children, or financial dependents was 50% of the PPI benefit to be paid to the estate of the decedent. In version J the payout is assigned a hard value of \$70,000 to be paid to the estate of the decedent.

## **Version O to Version R**

### **Section 3**

In Version R, the section which inflation proofed the lump sum death benefit for workers without surviving spouse, children, or financially dependent family members was removed. (Version O Section 5).

Section 3 was added, inflation proofing the Permanent Partial Injury Index under 23.30.190(a).

### **Section 5**

In version O section 4 the estate received \$70,000 if there were no surviving dependents or spouse.

In version R, this section is re-numbered as Section 5, and any surviving parents collect the funds before the estate. If there are two surviving parents, then they collect \$35,000 each. If there is only one, then (s)he collects \$70,000. If there are no surviving parents, the lump sum is given to the estate of the deceased.

## **Version R to Version N**

### **Section 7**

The effective date was changed from January 1, 2018, to January 1, 2019.

## **Version N to Version N.A**

### **Section 6**

An additional clause was added to clarify eligible recipients for the death benefit to workers without surviving spouse, children, or financially dependent family members, to include individuals with more than two legal parents. The additional clause, section 5(6)(C) in version N.A, provides that if there are more than two legal parents the lump sum will be divided equally between them.

### **Section 7**

The effective date clause did not pass the House, pushing the effective date of this legislation up from January 1, 2019, to 90 days after being signed by the Governor. Version N.A does not have an effective date.