

# House Bill 30

“An Act relating to notice of workers' compensation death benefits; relating to the payment of workers' compensation benefits in the case of permanent partial impairment; relating to the payment of workers' compensation death benefits; and providing for an effective date.”

Sponsor: Rep Andy Josephson

Staff: Elise Sorum-Birk

# Updating Workers' Compensation Statutes

Four major goals:

- ◆ To adjust Permanent Partial Impairment (PPI) rates for inflation
- ◆ To adjust rates for funeral expenses and death benefits for inflation
- ◆ To ensure that workers are made aware of the disparity in benefits for single and childless workers
- ◆ To clarify the law relating to benefit payments for orphan children after age 19

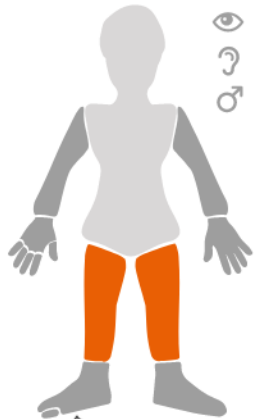
# Permanent Partial Impairment (PPI) rates have not been adjusted for inflation since 2000

- ❖ 1988 – AS 23.30.190(a) repealed and re-enacted and Permanent Partial impairment rating established at \$135,000
- ❖ 2000 – AS 23.30.190(a) updated and base PPI adjusted for inflation to \$177,000
- ❖ HB 30 adjusts this amount to \$273,000 to account for inflation
- ❖ Alaska's PPI rates consistently rank near the bottom nationally

The maximum compensation for one **Leg** in **Alaska** is **\$70,800**

### National Average

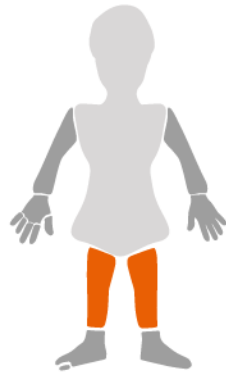
**\$153,221**



Hover over  
a body part  
for details

### Alaska

**\$70,800**



### Difference from National Average

	- LOWER	SAME	+ HIGHER
Arm	- \$63,678		
Leg	- \$82,421		
Hand	- \$49,350		
Thumb	- \$1,722		
Index Finger	- \$5,004		
Middle Finger	- \$1,526		
Ring Finger	- \$5,810		
Pinky	- \$2,493		
Foot	- \$47,529		
Big Toe	- \$14,586		
Eye		NOT AVAILABLE	
Ear		NOT AVAILABLE	
Testicle		NOT AVAILABLE	

“How much  
is a limb  
worth” -  
ProPublica

<https://projects.propublica.org/graphics/workers-compensation-benefits-by-limb#Alaska>



# The death benefit paid to non-child dependents has not been adjusted in over 50 years

- ❖ Under AS 23.30.215(a) (4) the death benefit paid to a dependent father, mother, grandchild, brother or sister is a maximum of only \$20,000
- ❖ This amount was set in 1968
- ❖ HB 30 amends this statute to adjust for inflation and sets new amount at \$150,000

# Lump sum amounts for funeral expenses and one-time payments to widow or widower are updated.

- ❖ Under AS 23.30.215(a) (1) the cap amount for funeral expenses is set at a maximum of \$10,000
  - ❖ HB 30 sets new amount at \$12,000
- ❖ Under AS 23.30.215(a) (5) the lump sum amount given to a widow/widower (or child if no surviving spouse) expenses is set at \$5,000
  - ❖ HB 30 adjusts this amount to \$8,000
- ❖ The current rates for both benefits were established in 2000.

# Definition of “child”

- ◇ AS 23.30.395 (8) includes
  - ◇ “persons who are under 19”
  - ◇ “persons who, though 19 years of age or over, are wholly dependent upon the deceased employees and incapable of self- support by reason of mental or physical disability”
  - ◇ “persons of any age while they are attending the first four years of vocational school, trade school, or college”
  - ◇ “persons of any age while attending high school”

HB 30 creates a new subsection AS 23.30.215(j) that extends the payment for “dependent children” (whose single parent died at work) to age 23 across the board.

# The Elevator Paradigm

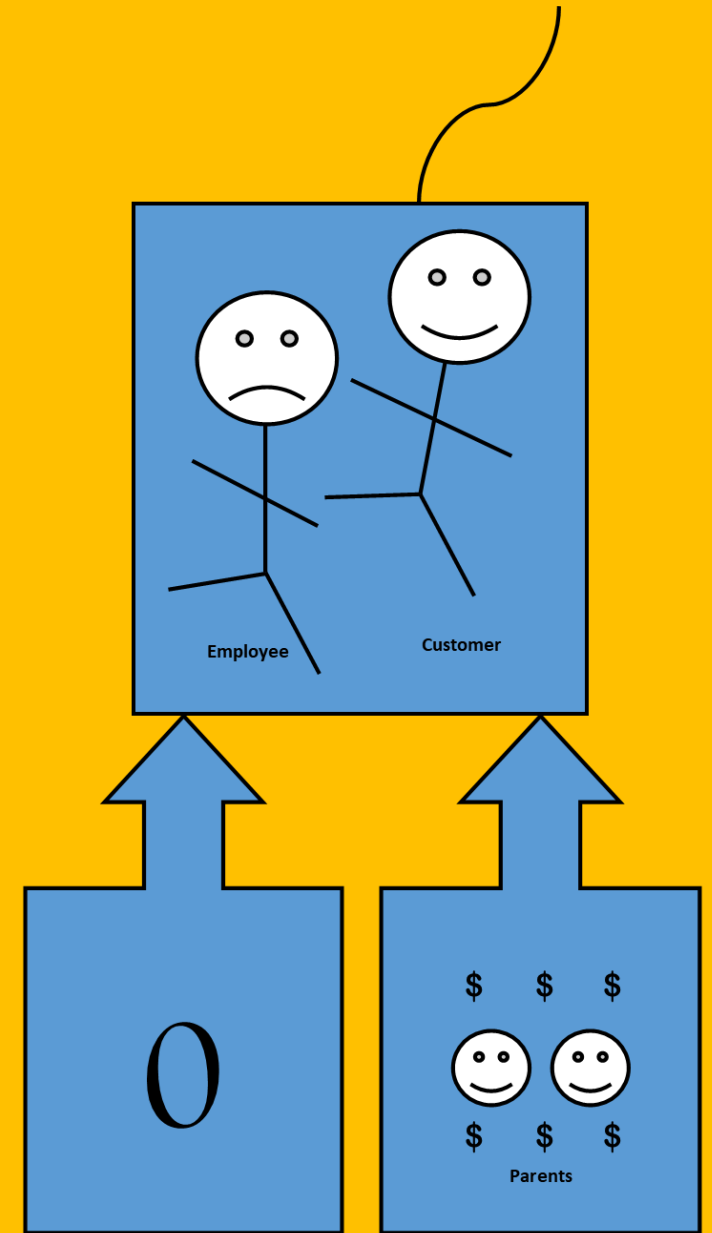
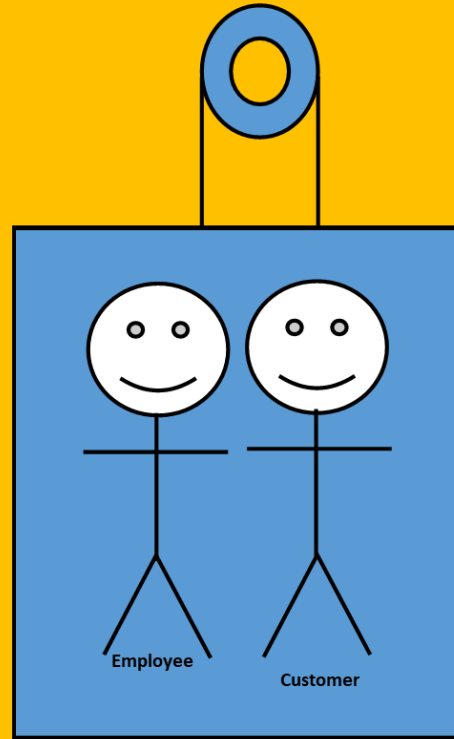
What damages do they receive?

Customer-

- ◇ Economic damages
- ◇ Non- economic damages
- ◇ Pain and Suffering
- ◇ Loss of Consortium
- ◇ Punitive
- ◇ Up to \$1.5 million

Single childless worker-

- ◇ Funeral expenses





# The parent or estate of a single worker with no dependents who dies on the job has no remedy

- ❖ Under current law single workers without dependents are the only class of worker who receives only funeral expenses
- ❖ Parents cannot collect worker's compensation
- ❖ HB 30 does not add a new benefit for this class of workers like previous iterations of this legislation have
- ❖ HB 30 adds a new section AS 23.10.435 to provide all employees with notice of a death benefits and to make them aware of the lack of benefits for single workers without dependents

Questions?

