

# COMMITTEE REPORT

## SENATE

FURTHER;

5/23/83

Date:

5/31/83

Mr. President:

The Committee on FINANCE has had CSHB 311(L&C)  
Workers' Compensation; eff. date.

under consideration and (a majority of the committee) (the committee)  
reports it back with the following recommendations:

do pass

do not pass

do pass with attached amendments(s)

replace with CS for

HB 311 (L&C)

same title  
 new title

and recommends \_\_\_\_\_

AND attaches a "Letter of Intent"  New Fiscal Note

reports it back without recommendation

referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
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\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. CS HB 311 (L & C)  
 Title Workers' Compensation  
 Requested by Senator John Sackett Date 5/31/83

II. FISCAL DETAIL  
 Agency Affected Department of Labor  
 Program Category Affected Public Protection  
 BRU, Program, or Subprogram(s) Affected Admin. of Workers' Compensation  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL					51.0	
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL					51.0	

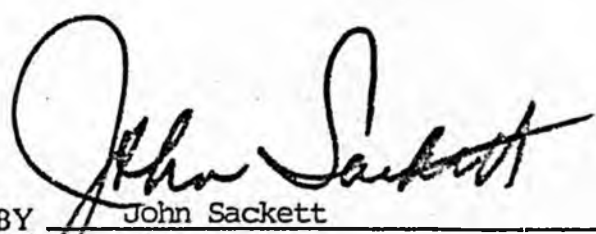
FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)



IV. DATE 5/31/83 PREPARED BY John Sackett  
 AGENCY State Senate  
 PHONE 465/3753  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Offered: 5/23/83  
Referred: Finance

Original sponsors: Furnace and Szymanski

1 IN THE HOUSE

BY THE LABOR AND  
COMMERCE COMMITTEE

2

SENATE CS FOR CS FOR HOUSE BILL NO. 311 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to Workers' Compensation; and pro-  
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 23.30.155(c) is amended to read:

10 (c) Upon making the first payment, and upon an increase, reduc-  
11 tion, termination, suspension, resumption or a change in rate or type  
12 of compensation paid, the employer shall notify the board within 14  
13 days, on a form prescribed by the board, that payment of compensation  
14 has begun or has been increased, reduced, terminated, resumed,  
15 changed, or suspended, as the case may be. If the employer fails to  
16 notify the board within 14 days, the board shall assess against the  
17 employer a civil penalty of \$100 plus \$10 [\$25] for each day in excess  
18 of 14 days that the employer fails to give notice. Total penalties  
19 under this section may not exceed \$1,000 [\$2,500] for each failure to  
20 file a required report.

21 \* Sec. 2. AS 23.30.175(a) is amended to read:

22 (a) The weekly rate of compensation for disability or death for  
23 a recipient residing in Alaska may not exceed the percentage of the  
24 Alaska average weekly wage in effect on the date of injury as deter-  
25 mined by the table contained in this subsection and initially may not  
26 be less than \$110 [\$65] a week. However, if the board determines that  
27 the employee's spendable [AVERAGE] weekly wages are less than \$110  
28 [\$65] a week as computed under AS 23.30.220, it shall issue an order  
29 decreasing the weekly rate of compensation to a rate equal to the

1 employee's spendable [AVERAGE] weekly wages, and payments made earlier  
2 in excess of the decreased rate shall be deducted from the unpaid  
3 compensation in the manner the board determines. In any case, the  
4 employer shall pay timely compensation.

5 On The Rate Shall be

6 July 1, 1975	80 percent of the Alaska average weekly wage
7 January 1, 1976	100 percent of the Alaska average weekly wage
8 January 1, 1977	133.3 percent of the Alaska average weekly wage
9 January 1, 1979	166.6 percent of the Alaska average weekly wage
10 January 1, 1981	200 percent of the Alaska average weekly wage

11 \* Sec. 3. AS 23.30.175(c)(3) is amended to read:

12 (3) If the spendable [AVERAGE] weekly wage of the recipient  
13 and the resulting compensation rate is determined under AS 23.30.-  
14 220(1) [AS 23.30.220(2)], the calculation required by this subsection  
15 applies to only those wages earned in Alaska.

16 \* Sec. 4. AS 23.30.175(c)(4) is amended to read:

17 (4) Application of this subsection may not result in a  
18 reduction of the weekly compensation rate to less than \$110 [\$65] a  
19 week except as provided in (a) of this section.

20 \* Sec. 5. AS 23.30.180 is amended to read:

21 Sec. 23.30.180. PERMANENT TOTAL DISABILITY. In case of total  
22 disability adjudged to be permanent 80 [66 2/3] percent of the in-  
23 jured employee's spendable [AVERAGE] weekly wages shall be paid to the  
24 employee during the continuance of the total disability. Loss of both  
25 hands, or both arms, or both feet, or both legs, or both eyes, or of  
26 any two of them, in the absence of conclusive proof to the contrary,  
27 constitutes permanent total disability. In all other cases permanent  
28 total disability is determined in accordance with the facts.

29 \* Sec. 6. AS 23.30.185 is amended to read:

1           Sec. 23.30.185. COMPENSATION FOR TEMPORARY TOTAL DISABILITY. In  
2 case of disability total in character but temporary in quality, 80 [66  
3 2/3] percent of the injured employee's spendable [AVERAGE] weekly  
4 wages shall be paid to the employee during the continuance of the  
5 disability.

6 \* Sec. 7. AS 23.30.190(a) is amended to read:

7           (a) In case of disability partial in character but permanent in  
8 quality the compensation is 80 [66 2/3] percent of the injured em-  
9 ployee's spendable [AVERAGE] weekly wages in addition to compensation  
10 for temporary total disability or temporary partial disability paid in  
11 accordance with AS 23.30.185 or 23.30.200, respectively, and shall be  
12 paid to the employee as follows:

13                   (1) arm lost, 280 weeks compensation, not to exceed \$59,000  
14                   [\$43,680];

15                   (2) leg lost, 248 weeks compensation, not to exceed \$54,400  
16                   [\$40,320];

17                   (3) hand lost, 212 weeks compensation, not to exceed  
18                   \$45,400 [\$33,600];

19                   (4) foot lost, 173 weeks compensation, not to exceed  
20                   \$39,700 [\$28,700];

21                   (5) eye lost, 140 weeks compensation, not to exceed \$30,200  
22                   [\$22,400];

23                   (6) thumb lost, 51 weeks compensation, not to exceed  
24                   \$14,000 [\$10,400];

25                   (7) first finger lost, 28 weeks compensation, not to exceed  
26                   \$8,700 [\$6,440];

27                   (8) great toe lost, 26 weeks compensation, not to exceed  
28                   \$7,200 [\$5,320];

29                   (9) second finger lost, 18 weeks compensation, not to

1 exceed \$5,700 [\$4,200]; third finger lost, 18 weeks compensation, not  
2 to exceed \$4,700 [\$3,500];

3 (10) toe other than great toe lost, eight weeks compensa-  
4 tion, not to exceed \$3,000 [\$2,240];

5 (11) fourth finger lost, seven weeks compensation, not to  
6 exceed \$2,800 [\$2,100];

7 (12) loss of hearing of one ear, 52 weeks compensation, not  
8 exceeding \$9,800 [\$7,280]; loss of hearing of both ears, 200 weeks  
9 compensation, not to exceed \$37,800 [\$28,000];

10 (13) compensation for loss of more than one phalange of a  
11 digit shall be the same as for loss of the entire digit; compensation  
12 for loss of the first phalange is one-half of the compensation for  
13 loss of the entire digit;

14 (14) amputation between the elbow and the wrist is consid-  
15 ered equivalent to the loss of an arm, and amputation between the knee  
16 and ankle is considered equivalent to the loss of a leg;

17 (15) compensation for loss of binocular vision or for 80  
18 percent or more of the vision of an eye is the same as for loss of the  
19 eye;

20 (16) compensation for loss of two or more digits, or one or  
21 more phalanges of two or more digits of a hand or foot may be propor-  
22 tioned to the resulting loss of use of the injured hand or foot, but  
23 may not exceed the compensation for loss of a hand or foot;

24 (17) compensation for permanent total loss of use of a  
25 member is the same as for loss of the member;

26 (18) compensation for permanent partial loss or loss of use  
27 of a member may be for proportionate loss or loss of use of the mem-  
28 ber;

29 (19) in addition to other allowable compensation, the board

1 shall award proper and equitable compensation up to \$10,000 for

2 (A) serious disfigurement of face, head and, when such  
3 disfigurement is likely to handicap the employee in securing or  
4 holding employment, for serious disfigurement of neck or limbs  
5 normally exposed, or

6 (B) partial or total loss of or loss of use of a part  
7 or function of the body not otherwise provided for under this  
8 section;

9 (20) in all other cases in this class of disability the  
10 compensation is 80 [66 2/3] percent of the difference between the  
11 spendable [HIS AVERAGE] weekly wages of the employee and the [HIS]  
12 wage-earning capacity of the employee after the injury in the same  
13 employment or otherwise, payable during the continuance of the partial  
14 disability, but subject to modification [RECONSIDERATION OF THE DEGREE  
15 OF THE IMPAIRMENT] by the board on its own motion or upon application  
16 of a party in interest; whenever the board determines that it is in  
17 the interest of justice, the liability of the employer for compensa-  
18 tion, or any part of it as determined by the board, may be discharged  
19 by the payment of a lump sum;

20 (21) in a case in which there is a loss of, or loss of use  
21 of more than one member or parts of more than one member set out in  
22 (1) - (18) of this section, not amounting to permanent total disabili-  
23 ty, the award of compensation is for the loss of, or loss of use of,  
24 each member or part of the member, which awards shall run consecu-  
25 tively, except that where the injury affects only two or more digits  
26 of the same hand or foot, (16) of this section applies.

27 \* Sec. 8. AS 23.30.200 is amended to read:

28 Sec. 23.30.200. TEMPORARY PARTIAL DISABILITY. In case of tempo-  
29 rary partial disability resulting in decrease of earning capacity the

1 compensation shall be 80 [66 2/3] percent of the difference between  
2 the injured employee's spendable [AVERAGE] weekly wages before the  
3 injury and the [HIS] wage earning capacity of the employee after the  
4 injury in the same or another employment, to be paid during the con-  
5 tinuance of the disability, but not to be paid for more than five  
6 years.

7 \* Sec. 9. AS 23.30.210 is amended to read:

8 Sec. 23.30.210. DETERMINATION OF WAGE-EARNING CAPACITY. In a  
9 case of partial disability under AS 23.30.190(20) or 23.30.200 the  
10 wage-earning capacity of an injured employee is determined by the  
11 [HIS] actual spendable weekly wage of the employee [EARNINGS] if the  
12 actual spendable weekly wage [EARNINGS] fairly and reasonably repre-  
13 sents the [REPRESENT HIS] wage-earning capacity of the employee. If  
14 the employee has no actual spendable weekly wage [EARNINGS] or the  
15 [HIS] actual spendable weekly wage does [EARNINGS DO] not fairly and  
16 reasonably represent the [HIS] wage-earning capacity of the employee,  
17 the board may, in the interest of justice, fix the wage-earning capac-  
18 ity which is reasonable, having due regard to the nature of the [HIS]  
19 injury, the degree of physical impairment, the [HIS] usual employment,  
20 and any other factors or circumstances in the case which may affect  
21 the [HIS] capacity of the employee to earn wages in a [HIS] disabled  
22 condition, including the effect of disability as it may naturally  
23 extend into the future.

24 \* Sec. 10. AS 23.30.215(a) is amended to read:

25 (a) If the injury causes death, the compensation is known as a  
26 death benefit and is payable in the following amounts to or for the  
27 benefit of the following persons:

28 (1) reasonable and necessary funeral expenses not exceeding  
29 \$2,500 [\$1,000];

1           (2) if there is a widow or widower or a child or children  
2 of the deceased, the following percentages of the spendable [AVERAGE]  
3 weekly wages of the deceased:

4           (A) 80 [66 2/3] percent for the widow or widower with  
5 no children;

6           (B) 40 [33 1/3] percent for the widow or widower with  
7 one child and 40 [33 1/3] percent for the child;

8           (C) 25 [20] percent for the widow or widower with two  
9 or more children and 55 [46 2/3] percent divided equally among  
10 the children;

11           (D) Repealed;

12           (E) 80 [66 2/3] percent for an only child when there  
13 is no widow or widower;

14           (F) Repealed;

15           (G) 80 [66 2/3] percent, divided equally, if there are  
16 two or more children and no widow or widower;

17           (3) if the widow or widower remarries, the widow or widower  
18 [SHE OR HE] is entitled to be paid in one sum an amount equal to the  
19 compensation to which the widow or widower would otherwise be entitled  
20 in the two years commencing on the date of remarriage as full and  
21 final settlement of all sums due the widow or widower;

22           (4) if there is no widow or widower or child or children,  
23 then for the support of father, mother, grandchildren, brothers and  
24 sisters, if dependent upon the deceased at the time of injury, 42 [35]  
25 percent of the spendable [AVERAGE] weekly wage of the deceased to such  
26 beneficiaries, share and share alike, not to exceed \$20,000 in the  
27 aggregate.

28 \* Sec. 11. AS 23.30.215(b) is amended to read:

29           (b) In computing death benefits, the spendable [AVERAGE] weekly

1 wage of the deceased shall be computed under AS 23.30.220 and shall be  
2 paid in accordance with AS 23.30.155 and subject to the weekly maximum  
3 limitation in the aggregate as provided in AS 23.30.175, but the total  
4 weekly compensation may not be less than \$75 [\$45] for a widow or  
5 widower nor less than \$25 [\$15] weekly to a child or \$50 [\$30] for  
6 children.

7 \* Sec. 12. AS 23.30.220 is repealed and reenacted to read:

8 Sec. 23.30.220. DETERMINATION OF SPENDABLE WEEKLY WAGE. (a)

9 The spendable weekly wage of an injured employee at the time of an  
10 injury is the basis for computing compensation. It is the employee's  
11 gross weekly earnings minus payroll tax deductions. The gross weekly  
12 earnings shall be calculated as follows:

13 (1) The gross weekly earnings are computed by dividing by  
14 100 the gross earnings of the employee in the two calendar years  
15 immediately preceding the injury.

16 (2) If the board determines that the gross weekly earnings  
17 at the time of the injury cannot be fairly calculated under (1) of  
18 this subsection, the board may determine the employee's gross weekly  
19 earnings for calculating compensation by considering the nature of the  
20 employee's work and work history.

21 (3) If an employee when injured is a minor, an apprentice,  
22 or a trainee, as determined by the board, whose wages under normal  
23 conditions would increase during the period of disability, the pro-  
24 jected increase may be considered by the board in computing the gross  
25 weekly earnings of the employee.

26 (4) If the employee is injured while performing duties as a  
27 volunteer ambulance attendant, policeman, or fireman, the gross weekly  
28 earnings for calculating compensation shall be the minimum gross  
29 weekly earnings paid a full-time ambulance attendant, policeman, or

1 fireman employed in the political subdivision where the injury occur-  
2 red, or, if the political subdivision has no full-time ambulance  
3 attendants, policemen, or firemen, at a reasonable figure previously  
4 set by the political subdivision to make this determination but in no  
5 case may the gross weekly earnings for calculating compensation be  
6 less than the minimum wage computed on the basis of 40 hours work per  
7 week.

8 (b) The commissioner shall annually prepare formulas that shall  
9 be used to calculate an employee's spendable weekly wage on the basis  
10 of gross weekly earnings, number of dependents, marital status, and  
11 payroll tax deductions.

12 \* Sec. 13. AS 23.30.265(31) is amended to read:

13 (31) "suitable gainful employment" means employment that is  
14 reasonably attainable in light of an individual's age, education,  
15 previous occupation, and injury, and that offers an opportunity to  
16 restore the individual as soon as practical to a remunerative occupa-  
17 tion and as nearly as possible to the individual's gross [HIS AVERAGE]  
18 weekly earnings [WAGE] as determined at the time of injury.

19 \* Sec. 14. AS 23.30.265 is amended by adding new paragraphs to read:

20 (32) "gross earnings" means periodic payments, by an em-  
21 ployer to an employee for employment before any authorized or lawfully  
22 required deduction or withholding of money by the employer, including  
23 compensation that is deferred at the option of the employee, and  
24 excluding irregular bonuses, reimbursement of expenses, expense allow-  
25 ances, and any benefit or payment to the employee that is not taxable  
26 to the employee during the pay period; the value of room and board to  
27 the employee may be considered in determining gross earnings; however,  
28 the value of room and board that would raise an employee's gross  
29 weekly earning above the Alaska average weekly wage at the time of

1 injury may not be considered;

2 (33) "gross weekly earnings" means gross weekly earnings as  
3 calculated under AS 23.30.220(a);

4 (34) "payroll taxes" means

5 (A) the amount that would be withheld under withhold-  
6 ing tables in effect on the January 1 preceding the injury under  
7 the Internal Revenue Code of 1954 as amended and regulations  
8 issued under the code, as though the employee had claimed the  
9 maximum number of dependents for actual dependency, blindness,  
10 and old age to which the employee is entitled on the date on  
11 which the employee is injured; and

12 (B) the amount that is or would be deducted or with-  
13 held as of the January 1 preceding the injury under the Social  
14 Security Act of 1935 as amended from the amount of earnings of  
15 the employee at the time of the injury as if the earnings were  
16 earned at the beginning of the calendar year in which the em-  
17 ployee was injured and regardless of whether the amount was  
18 actually withheld or the earnings were subject to withholding.

19 \* Sec. 15. AS 23.30.265(20) is repealed.

20 \* Sec. 16. This Act applies only to injuries sustained on or after  
21 January 1, 1984.

22 \* Sec. 17. This Act takes effect January 1, 1984.

Rec'd 4/17/83

STATE OF ALASKA  
FISCAL NOTE

Revision Date \_\_\_\_\_, 1983

I. REQUEST

Bill/Resolution No.: SCS CSHB 311 (L&C)  
Title: workers compensation  
Sponsor: Labor & Commerce Comm  
Requestor: S. Rules

II. FISCAL DETAIL

Agency Affected: Commerce & Ec. Dev.  
Program Category Affected: Public Prot.  
BRU, Program of Subprogram(s) Affected: Division of Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>						
<b>REVENUE</b>						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: ~~Attach a separate page for any Analysis~~

Prepared By: Kenneth C. Moore, Director  
Division: Insurance  
Approved by Commissioner: Richard A. Lyon  
Department: Commerce & Economic Development

Phone: 465-2515  
Date: 6/9/83  
Date: 6/15/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

*Handwritten initials and scribbles at the top left of the page.*

STATE OF ALASKA  
FISCAL NOTE

Revision Date 4/6, 1983

I. REQUEST

Page 1 of 3

Bill/Resolution No.: HB 311  
 Title: ".. Workers' Compensation..."  
 Sponsor: \_\_\_\_\_  
 Requestor: Rules Committee

II. FISCAL DETAIL

Agency Affected: Labor  
 Program Category Affected: Public Protection  
 BRU, Program of Subprogram(s) Affected: Administration of Workers' Compensation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		6.5	14.3	15.7	17.3	19.0
200 TRAVEL						
300 CONTRACTUAL		51.0	15.4	16.9	18.6	20.5
400 COMMODITIES		.1	.1	.1	.1	.1
500 EQUIPMENT		.7	0	0	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		58.3	29.8	32.7	36.0	39.6
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		58.3	29.8	32.7	36.0	39.6
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME		1	1	1	1	1
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not available.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: <sup>MS</sup> Jacquelyn L. McClintock  
 Division: Workers' Compensation

Phone: 465-2790  
 Date: March 21, 1983

Approved by Commissioner: <sup>MS</sup> Jim Robison  
 Department: Labor

Date: March 21, 1983

LEG:A:19

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- ✓ Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

3/8/83

THE LEGISLATURE OF THE STATE OF ALASKA  
FOURTEENTH LEGISLATURE

TITLE: "An Act relating to workers' compensation, and providing for an effective date."

AGENCY AFFECTED: Department of Labor

Page 2 of 3

Data Control Clerk I (permanent halftime, 6 months first year, 12 months thereafter)

100 Personal Services	\$ 6.5	
300 Contractual	1.5	
400 Supplies	.1	
500 Equipment	<u>.7</u>	
		\$ 8.8

Other Contractual:

Redesign and printing of forms to accomodate additional questions		3.5*
Rewrite and printing of employee and employer booklets		12.0*
Composition and printing of benefit schedule booklet		7.0
Printing amendment of Act		1.0*
Design computer system and write programs (2 1/2 months x \$50/hour)		22.0*
Operation costs for additional computer processing		<u>4.0</u>
TOTAL		\$58.3

\* Indicates one-time expense in FY 1984 for a total of \$38.5

1.	POSITION TITLE Data Control Clerk I				RANGE/STEP 9A	BARC. UNIT G	FORM 12 PAGE/LINE FN	COV.	APPRDV.	DISAPP.
2.	TYPE OF POSITION PPT	STAFF MONTHS 3	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL	ADDITION	XX		JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	9A(1578 x 6 MOS x .5)	4,734							
6.	Benefits	.1587	751							
7.	Supplemental Benefits	.0613	290							
8.	Fixed Benefits	240 x 3	720							
9.	TOTAL PERSONAL SERVICES	01	6.5							
10.	Travel	02								
11.	Contractual	03	1.5							
12.	Commodities	04	.1							
13.	Equipment	05	.7							
14.	Other									
15.	TOTAL COST		8.8							
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.	100	General Funds 1004		8.8						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER _____										

The permanent half-time Data Control Clerk I position will provide additional clerical support in the Claims Section to enter and maintain data in the Division's information handling system. This position will handle the increased workload caused by the additional data input necessary for the system to monitor the compensation rate using withholding and average weekly wage information, and the maintenance of two processing systems concurrently.

Line 11 - Contractual: Space (transfer to DOA) \$ .9  
Indirect (13.17 x 4734) .6

Line 12 - Commodities: General Office Supplies .1

Line 13 - Equipment: Desk and Chair .7

**13** REQUEST FOR  
NEW POSITION

AGENCY Labor

PROGRAM Worker Protection

BRU Workers' Compensation

COMPONENT Workers' Compensation Administration

**FY 84**

Page 3 of 3

Revised Date HB 311

LEG:A:20



CORRECTION

Discard CSHB 311 (L+C)  
and retain this corrected version.

Offered: 4/21/83  
Referred: Finance

Original sponsors: Furnace and Szymanski

BY THE LABOR AND  
COMMERCE COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 311 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to Workers' Compensation; and pro-  
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 23.30.175(a) is amended to read:

10 (a) The weekly rate of compensation for disability or death for  
11 a recipient residing in Alaska may not exceed the percentage of the  
12 Alaska average weekly wage in effect on the date of injury as deter-  
13 mined by the table contained in this subsection and initially may not  
14 be less than \$110 [\$65] a week. However, if the board determines that  
15 the employee's spendable [AVERAGE] weekly wages are less than \$110  
16 [\$65] a week as computed under AS 23.30.220, it shall issue an order  
17 decreasing the weekly rate of compensation to a rate equal to the  
18 employee's spendable [AVERAGE] weekly wages, and payments made earlier  
19 in excess of the decreased rate shall be deducted from the unpaid  
20 compensation in the manner the board determines. In any case, the  
21 employer shall pay timely compensation.

22 On	The Rate Shall be
23 July 1, 1975	80 percent of the Alaska average weekly wage
24 January 1, 1976	100 percent of the Alaska average weekly wage
25 January 1, 1977	133.3 percent of the Alaska average weekly wage
26 January 1, 1979	166.6 percent of the Alaska average weekly wage
27 January 1, 1981	200 percent of the Alaska average weekly wage

28 \* Sec. 2. AS 23.30.175(c)(3) is amended to read:

29 (3) If the spendable [AVERAGE] weekly wage of the recipient

1 and the resulting compensation rate is determined under AS 23.30.-  
2 220(1) [AS 23.30.220(2)], the calculation required by this subsection  
3 applies to only those wages earned in Alaska.

4 \* Sec. 3. AS 23.30.175(c)(4) is amended to read:

5 (4) Application of this subsection may not result in a  
6 reduction of the weekly compensation rate to less than \$110 [\$65] a  
7 week except as provided in (a) of this section.

8 \* Sec. 4. AS 23.30.180 is amended to read:

9 Sec. 23.30.180. PERMANENT TOTAL DISABILITY. In case of total  
10 disability adjudged to be permanent 80 [66 2/3] percent of the in-  
11 jured employee's spendable [AVERAGE] weekly wages shall be paid to the  
12 employee during the continuance of the total disability. Loss of both  
13 hands, or both arms, or both feet, or both legs, or both eyes, or of  
14 any two of them, in the absence of conclusive proof to the contrary,  
15 constitutes permanent total disability. In all other cases permanent  
16 total disability is determined in accordance with the facts.

17 \* Sec. 5. AS 23.30.185 is amended to read:

18 Sec. 23.30.185. COMPENSATION FOR TEMPORARY TOTAL DISABILITY. In  
19 case of disability total in character but temporary in quality, 80 [66  
20 2/3] percent of the injured employee's spendable [AVERAGE] weekly  
21 wages shall be paid to the employee during the continuance of the  
22 disability.

23 \* Sec. 6. AS 23.30.190(a) is amended to read:

24 (a) In case of disability partial in character but permanent in  
25 quality the compensation is 80 [66 2/3] percent of the injured em-  
26 ployee's spendable [AVERAGE] weekly wages in addition to compensation  
27 for temporary total disability or temporary partial disability paid in  
28 accordance with AS 23.30.185 or 23.30.200, respectively, and shall be  
29 paid to the employee as follows:

- 1                   (1) arm lost, 280 weeks compensation, not to exceed \$59,000  
2                   [\$43,680];
- 3                   (2) leg lost, 248 weeks compensation, not to exceed \$54,400  
4                   [\$40,320];
- 5                   (3) hand lost, 212 weeks compensation, not to exceed  
6                   \$45,400 [\$33,600];
- 7                   (4) foot lost, 173 weeks compensation, not to exceed  
8                   \$39,700 [\$28,700];
- 9                   (5) eye lost, 140 weeks compensation, not to exceed \$30,200  
10                   [\$22,400];
- 11                   (6) thumb lost, 51 weeks compensation, not to exceed  
12                   \$14,000 [\$10,400];
- 13                   (7) first finger lost, 28 weeks compensation, not to exceed  
14                   \$8,700 [\$6,440];
- 15                   (8) great toe lost, 26 weeks compensation, not to exceed  
16                   \$7,200 [\$5,320];
- 17                   (9) second finger lost, 18 weeks compensation, not to  
18                   exceed \$5,700 [\$4,200]; third finger lost, 18 weeks compensation, not  
19                   to exceed \$4,700 [\$3,500];
- 20                   (10) toe other than great toe lost, eight weeks compensa-  
21                   tion, not to exceed \$3,000 [\$2,240];
- 22                   (11) fourth finger lost, seven weeks compensation, not to  
23                   exceed \$2,800 [\$2,100];
- 24                   (12) loss of hearing of one ear, 52 weeks compensation, not  
25                   exceeding \$9,800 [\$7,280]; loss of hearing of both ears, 200 weeks  
26                   compensation, not to exceed \$37,800 [\$28,000];
- 27                   (13) compensation for loss of more than one phalange of a  
28                   digit shall be the same as for loss of the entire digit; compensation  
29                   for loss of the first phalange is one-half of the compensation for

1 loss of the entire digit;

2 (14) amputation between the elbow and the wrist is consid-  
3 ered equivalent to the loss of an arm, and amputation between the knee  
4 and ankle is considered equivalent to the loss of a leg;

5 (15) compensation for loss of binocular vision or for 80  
6 percent or more of the vision of an eye is the same as for loss of the  
7 eye;

8 (16) compensation for loss of two or more digits, or one or  
9 more phalanges of two or more digits of a hand or foot may be propor-  
10 tioned to the resulting loss of use of the injured hand or foot, but  
11 may not exceed the compensation for loss of a hand or foot;

12 (17) compensation for permanent total loss of use of a  
13 member is the same as for loss of the member;

14 (18) compensation for permanent partial loss or loss of use  
15 of a member may be for proportionate loss or loss of use of the mem-  
16 ber;

17 (19) in addition to other allowable compensation, the board  
18 shall award proper and equitable compensation up to \$10,000 for

19 (A) serious disfigurement of face, head and, when such  
20 disfigurement is likely to handicap the employee in securing or  
21 holding employment, for serious disfigurement of neck or limbs  
22 normally exposed, or

23 (B) partial or total loss of or loss of use of a part  
24 or function of the body not otherwise provided for under this  
25 section;

26 (20) in all other cases in this class of disability the  
27 compensation is 80 [66 2/3] percent of the difference between the  
28 spendable [HIS AVERAGE] weekly wages of the employee and the [HIS]  
29 wage-earning capacity of the employee after the injury in the same

1 employment or otherwise, payable during the continuance of the partial  
2 disability, but subject to modification [RECONSIDERATION OF THE DEGREE  
3 OF THE IMPAIRMENT] by the board on its own motion or upon application  
4 of a party in interest; whenever the board determines that it is in  
5 the interest of justice, the liability of the employer for compensa-  
6 tion, or any part of it as determined by the board, may be discharged  
7 by the payment of a lump sum;

8 (21) in a case in which there is a loss of, or loss of use  
9 of more than one member or parts of more than one member set out in  
10 (1) - (18) of this section, not amounting to permanent total disabili-  
11 ty, the award of compensation is for the loss of, or loss of use of,  
12 each member or part of the member, which awards shall run consecu-  
13 tively, except that where the injury affects only two or more digits  
14 of the same hand or foot, (16) of this section applies.

15 \* Sec. 7. AS 23.30.200 is amended to read:

16 Sec. 23.30.200. TEMPORARY PARTIAL DISABILITY. In case of tempo-  
17 rary partial disability resulting in decrease of earning capacity the  
18 compensation shall be 80 [66 2/3] percent of the difference between  
19 the injured employee's spendable [AVERAGE] weekly wages before the  
20 injury and the [HIS] wage earning capacity of the employee after the  
21 injury in the same or another employment, to be paid during the con-  
22 tinuance of the disability, but not to be paid for more than five  
23 years.

24 \* Sec. 8. AS 23.30.210 is amended to read:

25 Sec. 23.30.210. DETERMINATION OF WAGE-EARNING CAPACITY. In a  
26 case of partial disability under AS 23.30.190(20) or 23.30.200 the  
27 wage-earning capacity of an injured employee is determined by the  
28 [HIS] actual spendable weekly wage of the employee [EARNINGS] if the  
29 actual spendable weekly wage [EARNINGS] fairly and reasonably repre-

1        sents the [REPRESENT HIS] wage-earning capacity of the employee.    If  
2        the employee has no actual spendable weekly wage [EARNINGS] or the  
3        [HIS] actual spendable weekly wage does [EARNINGS DO] not fairly and  
4        reasonably represent the [HIS] wage-earning capacity of the employee,  
5        the board may, in the interest of justice, fix the wage-earning capac-  
6        ity which is reasonable, having due regard to the nature of the [HIS]  
7        injury, the degree of physical impairment, the [HIS] usual employment,  
8        and any other factors or circumstances in the case which may affect  
9        the [HIS] capacity of the employee to earn wages in a [HIS] disabled  
10       condition, including the effect of disability as it may naturally  
11       extend into the future.

12       \* Sec. 9. AS 23.30.215(a) is amended to read:

13                (a) If the injury causes death, the compensation is known as a  
14       death benefit and is payable in the following amounts to or for the  
15       benefit of the following persons:

16                        (1) reasonable and necessary funeral expenses not exceeding  
17       \$2,500 [\$1,000];

18                        (2) if there is a widow or widower or a child or children  
19       of the deceased, the following percentages of the spendable [AVERAGE]  
20       weekly wages of the deceased:

21                                (A) 80 [66 2/3] percent for the widow or widower with  
22       no children;

23                                (B) 40 [33 1/3] percent for the widow or widower with  
24       one child and 40 [33 1/3] percent for the child;

25                                (C) 25 [20] percent for the widow or widower with two  
26       or more children and 55 [46 2/3] percent divided equally among  
27       the children;

28                                (D) Repealed;

29                                (E) 80 [66 2/3] percent for an only child when there

1 is no widow or widower;  
2 (F) Repealed;  
3 (G) 80 [66 2/3] percent, divided equally, if there are  
4 two or more children and no widow or widower;

5 (3) if the widow or widower remarries, the widow or widower  
6 [SHE OR HE] is entitled to be paid in one sum an amount equal to the  
7 compensation to which the widow or widower would otherwise be entitled  
8 in the two years commencing on the date of remarriage as full and  
9 final settlement of all sums due the widow or widower;

10 (4) if there is no widow or widower or child or children,  
11 then for the support of father, mother, grandchildren, brothers and  
12 sisters, if dependent upon the deceased at the time of injury, 42 [35]  
13 percent of the spendable [AVERAGE] weekly wage of the deceased to such  
14 beneficiaries, share and share alike, not to exceed \$20,000 in the  
15 aggregate.

16 \* Sec. 10. AS 23.30.215(b) is amended to read:

17 (b) In computing death benefits, the spendable [AVERAGE] weekly  
18 wage of the deceased shall be computed under AS 23.30.220 and shall be  
19 paid in accordance with AS 23.30.155 and subject to the weekly maximum  
20 limitation in the aggregate as provided in AS 23.30.175, but the total  
21 weekly compensation may not be less than \$75 [\$45] for a widow or  
22 widower nor less than \$25 [\$15] weekly to a child or \$50 [\$30] for  
23 children.

24 \* Sec. 11. AS 23.30.220 is repealed and reenacted to read:

25 Sec. 23.30.220. DETERMINATION OF SPENDABLE WEEKLY WAGE. (a)  
26 The spendable weekly wage of an injured employee at the time of an  
27 injury is the basis for computing compensation. It is the employee's  
28 gross weekly earnings minus payroll tax deductions. The gross weekly  
29 earnings shall be calculated as follows:

1           (1) The gross weekly earnings are computed by dividing by  
2 100 the gross earnings of the employee in the two calendar years  
3 immediately preceding the injury.

4           (2) If the board determines that the gross weekly earnings  
5 at the time of the injury cannot be fairly calculated under (1) of  
6 this subsection, the board may determine the employee's gross weekly  
7 earnings for calculating compensation by considering the nature of the  
8 employee's work and work history.

9           (3) If an employee when injured is a minor, an apprentice,  
10 or a trainee, as determined by the board, whose wages under normal  
11 conditions would increase during the period of disability, the pro-  
12 jected increase may be considered by the board in computing the gross  
13 weekly earnings of the employee.

14           (4) If the employee is injured while performing duties as a  
15 volunteer ambulance attendant, policeman, or fireman, the gross weekly  
16 earnings for calculating compensation shall be the minimum gross  
17 weekly earnings paid a full-time ambulance attendant, policeman, or  
18 fireman employed in the political subdivision where the injury occur-  
19 red, or, if the political subdivision has no full-time ambulance  
20 attendants, policemen, or firemen, at a reasonable figure previously  
21 set by the political subdivision to make this determination but in no  
22 case may the gross weekly earnings for calculating compensation be  
23 less than the minimum wage computed on the basis of 40 hours work per  
24 week.

25           (b) The commissioner shall annually prepare formulas that shall  
26 be used to calculate an employee's spendable weekly wage on the basis  
27 of gross weekly earnings, number of dependents, marital status, and  
28 payroll tax deductions.

29 \* Sec. 12. AS 23.30.265(31) is amended to read:

1           (31) "suitable gainful employment" means employment that is  
2 reasonably attainable in light of an individual's age, education,  
3 previous occupation, and injury, and that offers an opportunity to  
4 restore the individual as soon as practical to a remunerative occupa-  
5 tion and as nearly as possible to the individual's gross [HIS AVERAGE]  
6 weekly earnings [WAGE] as determined at the time of injury.

7 \* Sec. 13. AS 23.30.265 is amended by adding new paragraphs to read:

8           (32) "gross earnings" means periodic payments, by an em-  
9 ployer to an employee for employment before any authorized or lawfully  
10 required deduction or withholding of money by the employer, including  
11 compensation that is deferred at the option of the employee, and  
12 excluding irregular bonuses, reimbursement of expenses, expense allow-  
13 ances, and any benefit or payment to the employee that is not taxable  
14 to the employee during the pay period; the value of room and board to  
15 the employee may be considered in determining gross earnings; however,  
16 the value of room and board that would raise an employee's gross  
17 weekly earning above the Alaska average weekly wage at the time of  
18 injury may not be considered;

19           (33) "gross weekly earnings" means gross weekly earnings as  
20 calculated under AS 23.30.220(a);

21           (34) "payroll taxes" means

22           (A) the amount that would be withheld under withhold-  
23 ing tables in effect on the January 1 preceding the injury under  
24 the Internal Revenue Code of 1954 as amended and regulations  
25 issued under the code, as though the employee had claimed the  
26 maximum number of dependents for actual dependency, blindness,  
27 and old age to which the employee is entitled on the date on  
28 which the employee is injured; and

29           (B) the amount that is or would be deducted or with-

1 held as of the January 1 preceding the injury under the Social  
2 Security Act of 1935 as amended from the amount of earnings of  
3 the employee at the time of the injury as if the earnings were  
4 earned at the beginning of the calendar year in which the em-  
5 ployee was injured and regardless of whether the amount was  
6 actually withheld or the earnings were subject to withholding.

7 \* Sec. 14. AS 23.30.265(20) is repealed.

8 \* Sec. 15. This Act applies only to injuries sustained on or after  
9 January 1, 1984.

10 \* Sec. 16. This Act takes effect January 1, 1984.