

LEG. FINANCE - BILLS 1983 - 1984 1886

HB 311 cont. - CSHB 311 1886

TABLE 1

MARRIED WITH TWO CHILDREN

ALL

AWW	FICA	TAXABLE WAGE	1983 TAX DED	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 23.06	\$ 0.00	87 \$ 93.30 8117	\$ 74.64	\$ 66.67	111.96
150	10.05	73.08	3.80	232 x 136.15 25,520	108.92	100.00	108.92
200	13.40	123.08	10.30		267 141.04 37,647	133.33	105.78
250	16.75	173.08	18.30		320 171.96 55,027	166.67	103.18
300	20.10	223.08	26.30		335 202.88 67,964	200.00	101.44
350	23.45	273.08	35.70		334 232.68 77,715	233.33	99.72
400	26.80	323.08	45.20		272 262.40 71,372	266.67	98.40
450	30.15	373.08	55.80		284 291.24 82,712	300.00	97.08
500	33.50	423.08	67.80		266 318.96 84,843	333.33	95.69
550	36.85	473.08	80.50		276 346.12 95,529	366.67	94.40
600	40.20	523.08	94.00		246 372.64 41,667	400.00	93.16
650	43.55	573.08	108.60		291 398.28 115,899	433.33	91.91
700	46.90	623.08	124.60		324 422.80 96,821	466.67	90.60
750	50.25	673.08	141.70		195 446.44 87,055	500.00	89.29
800	53.60	723.08	160.20		155 468.96 72,688	533.33	87.93
850	56.95	773.08	178.70		158 491.48 77,653	566.67	86.73
900	60.30	823.08	195.30		137 515.52 71,657	600.00	85.92
950	63.65	873.08	213.80		114 538.04 61,336	633.33	84.95
1,000	67.00	923.08	232.30		111 560.56 62,222	666.67	84.08
1,100	73.70	1023.08	269.30		194 605.60 117,486	733.33	82.58
1,200	80.40	1123.08	306.30		101 650.64 65,714	800.00	81.33
1,300	87.10	1223.08	343.30		74 695.68 63,372	866.67	80.27
1,400	93.80	1323.08	380.30		62 740.72 45,724	933.33	79.36
1,500	100.50	1423.08	417.30		31 785.76 24,358	996.00	78.89
1,600	107.20	1523.08	454.30		18 830.80 71,934	996.00	83.41

1601 - 9999 (18)

1,677,280 / 1,822,330

TAXABLE WAGE = AWW LESS \$76.92
 SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE = 145,050

8% DECREASE

TABLE 3

SINGLE WITH NO CHILDREN

ALL

AWW	FICA	TAXABLE WAGE	1983 TAX DED.	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 80.77	\$ 7.60	\$ 85.70	\$ 68.56	\$ 66.67	102.84
150	10.05	130.77	16.00	123.95	99.16	100.00	99.16
200	13.40	180.77	24.60	162.00	129.60	133.33	97.20
250	16.75	230.77	34.60	198.65	158.92	166.67	95.35
300	20.10	280.77	46.40	233.50	186.80	200.00	93.40
350	23.45	330.77	59.10	267.45	213.96	233.33	91.70
400	26.80	380.77	74.10	299.10	239.28	266.67	89.73
450	30.15	430.77	89.20	330.65	264.52	300.00	88.17
500	33.50	480.77	106.20	360.30	288.24	333.33	86.47
550	36.85	530.77	123.20	389.95	311.96	366.67	85.08
600	40.20	580.77	141.70	418.10	334.48	400.00	83.62
650	43.55	630.77	160.20	446.25	357.00	433.33	82.38
700	46.90	680.77	178.70	474.40	379.52	466.67	81.33
750	50.25	730.77	195.40	504.35	403.48	500.00	80.70
800	53.60	780.77	213.90	532.50	426.00	533.33	79.88
850	56.95	830.77	232.40	560.65	448.52	566.67	79.15
900	60.30	880.77	250.90	588.80	471.04	600.00	78.51
950	63.65	930.77	269.40	616.95	493.56	633.33	77.93
1,000	67.00	980.77	287.90	645.10	516.08	666.67	77.41
1,100	73.70	1080.77	324.90	701.40	561.12	733.33	76.52
1,200	80.40	1180.77	361.90	757.70	606.16	800.00	75.77
1,300	87.10	1280.77	398.90	814.00	651.20	866.67	75.14
1,400	93.80	1380.77	435.90	870.30	696.24	933.33	74.60
1,500	100.50	1480.77	472.90	926.60	741.28	996.00	74.43
1,600	107.20	1580.77	509.90	982.90	786.32	996.00	78.95

1601-9999

(18) 1,590,351 1,822,320

TAXABLE WAGE = AWW LESS \$19.23
 SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE 231,973

13% decrease

TABLE 1

ALP

MARRIED WITH TWO CHILDREN

AWW	FICA	TAXABLE WAGE	1983 TAX DED	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 23.08	\$ 0.00	93.30	74.64	66.67	111.96
150	10.05	73.08	3.80	136.15	108.92	100.00	108.92
200	13.40	123.08	10.30	176.30	141.04	133.33	105.78
250	16.75	173.08	18.30	214.95	171.96	166.67	103.18
300	20.10	223.08	26.30	253.60	202.88	200.00	101.44
350	23.45	273.08	35.70	290.85	232.68	233.33	99.72
400	26.80	323.08	45.20	328.00	262.40	266.67	98.40
450	30.15	373.08	55.80	364.05	291.24	300.00	97.08
500	33.50	423.08	67.80	398.70	318.96	333.33	95.69
550	36.85	473.08	80.50	432.65	346.12	366.67	94.40
600	40.20	523.08	94.00	465.80	372.64	400.00	93.16
650	43.55	573.08	108.60	497.85	398.28	433.33	91.91
700	46.90	623.08	124.60	528.50	422.80	466.67	90.60
750	50.25	673.08	141.70	558.05	446.44	500.00	89.29
800	53.60	723.08	160.20	586.20	468.95	533.33	87.93
850	56.95	773.08	178.70	614.35	491.48	566.67	86.73
900	60.30	823.08	195.30	644.40	515.52	600.00	85.92
950	63.65	873.08	213.80	672.55	538.04	633.33	84.95
1,000	67.00	923.08	232.30	700.70	560.56	666.67	84.08
1,100	73.70	1023.08	269.30	757.00	605.60	733.33	82.58
1,200	80.40	1123.08	306.30	813.30	650.64	800.00	81.33
1,300	87.10	1223.08	343.30	869.60	695.68	866.67	80.27
1,400	93.80	1323.08	380.30	925.90	740.72	933.33	79.36
1,500	100.50	1423.08	417.30	982.20	785.76	996.00	78.89
1,600	107.20	1523.08	454.30	1038.50	830.80	996.00	83.41

TAXABLE WAGE = AWW LESS \$76.92
 SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE = \$3,393

11% DECREASE

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

TABLE 1

MARRIED WITH TWO CHILDREN

ALP

AWW	FICA	TAXABLE WAGE	1983 TAX DED	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 23.08	\$ 0.00	\$ 93.30	\$ 74.64	\$ 66.67	111.96
150	10.05	73.08	3.80	136.15	108.92	100.00	108.92
200	13.40	123.08	10.30	176.30	141.04	133.33	105.78
250	16.75	173.08	18.30	214.95	171.96	166.67	103.18
300	20.10	223.08	26.30	253.60	202.88	200.00	101.44
350	23.45	273.08	35.70	290.85	232.68	233.33	99.72
400	26.80	323.08	45.20	328.00	262.40	266.67	98.40
450	30.15	373.08	55.80	364.05	291.24	300.00	97.08
500	33.50	423.08	67.80	398.70	318.96	333.33	95.69
550	36.85	473.08	80.50	432.65	346.12	366.67	94.40
600	40.20	523.08	94.00	465.80	372.64	400.00	93.16
650	43.55	573.08	108.60	497.85	398.28	433.33	91.91
700	46.90	623.08	124.60	528.50	422.80	466.67	90.60
750	50.25	673.08	141.70	558.05	446.44	500.00	89.29
800	53.60	723.08	160.20	586.20	468.96	533.33	87.93
850	56.95	773.08	178.70	614.35	491.48	566.67	86.73
900	60.30	823.08	195.30	644.40	515.52	600.00	85.92
950	63.65	873.08	213.80	672.55	538.04	633.33	84.95
1,000	67.00	923.08	232.30	700.70	560.56	666.67	84.08
1,100	73.70	1023.08	269.30	757.00	605.60	733.33	82.58
1,200	80.40	1123.08	306.30	813.30	650.64	800.00	81.33
1,300	87.10	1223.08	343.30	869.60	695.68	866.67	80.27
1,400	93.80	1323.08	380.30	925.90	740.72	933.33	79.36
1,500	100.50	1423.08	417.30	982.20	785.76	996.00	78.89
1,600	107.20	1523.08	454.30	1038.50	830.80	996.00	83.41

TAXABLE WAGE = AWW LESS \$76.92
 SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE = 73393

11% DECREASE

TABLE 3

SINGLE WITH NO CHILDREN

ALP

AWW	FICA	TAXABLE WAGE	1983 TAX DED.	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 80.77	\$ 7.60	85.70 85.70	\$ 68.56	\$ 66.67	102.84
150	10.05	130.77	16.00	123.95 123.95	99.16	100.00	99.16
200	13.40	180.77	24.60	162.00	1129.60 129	133.33 133	97.20
250	16.75	230.77	34.60	198.65	2150.92 2150.92	166.67 166.67	95.35
300	20.10	280.77	46.40	233.50	0186.80 186.80	200.00	95.40
350	23.45	330.77	59.10	267.45	0213.96 213.96	233.33	91.70
400	26.80	380.77	74.10	299.10	1239.28 229	266.67 266	89.73
450	30.15	430.77	89.20	330.65	2264.52 559	300.00 600	88.17
500	33.50	480.77	106.20	360.30	3288.24 864	333.33 999	86.47
550	36.85	530.77	123.20	389.95	6311.96 1871	366.67 3200	85.08
600	40.20	580.77	141.70	418.10	3334.48 1003	400.00 1200	83.62
650	43.55	630.77	160.20	446.25	6357.00 2119	433.33 2599	82.38
700	46.90	680.77	178.70	474.40	9379.52 3036	466.67 3733	81.33
750	50.25	730.77	195.40	504.35	5403.48 2017	500.00 2500	80.70
800	53.60	780.77	213.90	532.50	5425.00 2130	533.33 2666	79.88
850	56.95	830.77	232.40	560.65	6448.52 2691	566.67 3400	79.15
900	60.30	880.77	250.90	588.80	4471.04 1801	600.00 2400	78.51
950	63.65	930.77	269.40	616.95	4493.56 1974	633.33 2533	77.93
1,000	67.00	980.77	287.90	645.10	4516.08 2064	666.67 2666	77.41
1,100	73.70	1080.77	324.90	701.40	3561.12 1683	733.33 2199	76.52
1,200	80.40	1180.77	361.90	757.70	0606.16	800.00	75.77
1,300	87.10	1280.77	398.90	814.00	651.20 24,256	866.67 30,094	75.14
1,400	93.80	1380.77	435.90	870.30	696.24	933.33	74.60
1,500	100.50	1480.77	472.90	926.60	741.28	996.00	74.43
1,600	107.20	1580.77	509.90	982.90	786.32	996.00	78.95

TAXABLE WAGE = AWW LESS \$19.23

SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE = 45,838

19% DECREASE

TABLE 1

LP

MARRIED WITH TWO CHILDREN

AWW	FICA	TAXABLE WAGE	1983 TAX DED	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 23.08	\$ 0.00	\$ 93.30	\$ 74.64	\$ 66.67	111.96
150	10.05	73.08	3.80	136.15	108.92	100.00	108.92
200	13.40	123.08	10.30	176.30	141.04	133.33	105.78
250	16.75	173.08	18.30	214.95	171.96	166.67	103.18
300	20.10	223.08	26.30	253.60	202.88	200.00	101.44
350	23.45	273.08	35.70	290.85	232.68	233.33	99.72
400	26.80	323.08	45.20	328.00	1262.40	266.67	98.40
450	30.15	373.08	55.80	364.05	5291.24	300.00	97.08
500	33.50	423.08	67.80	398.70	1318.96	333.33	95.69
550	36.85	473.08	80.50	432.65	5346.12	366.67	94.40
600	40.20	523.08	94.00	465.80	2372.64	400.00	93.16
650	43.55	573.08	108.60	497.85	2398.28	433.33	91.91
700	46.90	623.08	124.60	528.50	2422.80	466.67	90.60
750	50.25	673.08	141.70	558.05	2446.44	500.00	89.29
800	53.60	723.08	160.20	586.20	3468.96	533.33	87.93
850	56.95	773.08	178.70	614.35	4491.48	566.67	86.73
900	60.30	823.08	195.30	644.40	1515.52	600.00	85.92
950	63.65	873.08	213.80	672.55	2538.04	633.33	84.95
1,000	67.00	923.08	232.30	700.70	2560.56	666.67	84.08
1,100	73.70	1023.08	269.30	757.00	1605.60	733.33	82.58
1,200	80.40	1123.08	306.30	813.30	2650.64	800.00	81.33
1,300	87.10	1223.08	343.30	869.60	695.68	866.67	80.27
1,400	93.80	1323.08	380.30	925.90	740.72	933.33	79.36
1,500	100.50	1423.08	417.30	982.20	785.76	996.00	78.89
1,600	107.20	1523.08	454.30	1038.50	830.80	996.00	83.41

0 \$ 93.30
1 110.82

110
262
1456
318
1730
745
845
892
1404
515
605
8,884
9697

TAXABLE WAGE = AWW LESS \$76.92
SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE = 813

8% DECREASE

TABLE 3

SINGLE WITH NO CHILDREN

LP

AWW	FICA	TAXABLE WAGE	1983 TAX DED	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 80.77	\$ 7.60	85.70 85.70	\$ 68.56	\$ 66.67	102.84
150	10.05	130.77	16.00	115.77 123.95	99.16	100.00	100
200	13.40	180.77	24.60	162.00	129.60 129.60	133.33	97.20
250	16.75	230.77	34.60	198.65	158.92 158.92	166.67	95.35
300	20.10	280.77	46.40	233.50	186.80 186.80	200.00	93.40
350	23.45	330.77	59.10	267.45	213.96 213.96	233.33	91.70
400	26.80	380.77	74.10	299.10	239.28	266.67	89.73
450	30.15	430.77	89.20	330.65	5264.52	300.00	1500
500	33.50	480.77	106.20	360.30	1288.24	333.33	233
550	36.85	530.77	123.20	389.95	5311.96	366.67	1833
600	40.20	580.77	141.70	418.10	2334.48	400.00	800
650	43.55	630.77	160.20	446.25	357.00 357.00	433.33	82.38
700	46.90	680.77	178.70	474.40	2379.52	466.67	933
750	50.25	730.77	195.40	504.35	2403.48	500.00	1000
800	53.60	780.77	213.90	532.50	2426.00	533.33	1599
850	56.95	830.77	232.40	560.65	448.52 448.52	566.67	79.15
900	60.30	880.77	250.90	588.80	1471.04	600.00	600
950	63.65	930.77	269.40	616.95	493.56 493.56	633.33	77.93
1,000	67.00	980.77	287.90	645.10	516.08 516.08	666.67	77.41
1,100	73.70	1080.77	324.90	701.40	1561.12	733.33	733
1,200	80.40	1180.77	361.90	757.70	606.16 606.16	800.00	75.77
1,300	87.10	1280.77	398.90	814.00	651.20	866.67	9697
1,400	93.80	1380.77	435.90	870.30	696.24	933.33	74.60
1,500	100.50	1480.77	472.90	926.60	741.28	996.00	74.43
1,600	107.20	1580.77	509.90	982.90	786.32	996.00	78.95

TAXABLE WAGE = AWW LESS \$19.23

SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE = 11636

17% DECREASE

TABLE 1

ATTN

MARRIED WITH TWO CHILDREN

AWW	FICA	TAXABLE WAGE	1983 TAX DED	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 23.08	\$ 0.00	1 \$ 93.30 93	\$ 74.64	\$ 66.67	111.56
150	10.05	73.08	3.80	6 136.15 600	108.92	100.00	108.92
200	13.40	123.08	10.30		4141.04 SKL	133.33	105.78
250	16.75	173.08	18.30		10171.96 1719	166.67	103.18
300	20.10	223.08	26.30		15202.88 3043	200.00	101.44
350	23.45	273.08	35.70		14232.68 3257	233.33	99.72
400	26.80	323.08	45.20		13262.40 3411	266.67	98.40
450	30.15	373.08	55.80		12291.24 3494	300.00	97.08
500	33.50	423.08	67.80		12318.96 3827	333.33	95.69
550	36.85	473.08	80.50		10346.12 3161	366.67	94.40
600	40.20	523.08	94.00		7372.64 2008	400.00	93.16
650	43.55	573.08	108.60		8398.28 3186	433.33	91.91
700	46.90	623.08	124.60		5422.80 3114	466.67	90.60
750	50.25	673.08	141.70		2446.44 892	500.00	89.29
800	53.60	723.08	160.20		0468.96	533.33	87.93
850	56.95	773.08	178.70		6491.48	566.67	86.73
900	60.30	823.08	195.30		1515.52 515	600.00	85.92
950	63.65	873.08	213.80		1538.04 528	633.33	84.95
1,000	67.00	923.08	232.30		0560.56	666.67	84.08
1,100	73.70	1023.08	269.30		1605.60 605	733.33	82.58
1,200	80.40	1123.08	306.30		3650.64 1951	800.00	81.33
1,300	87.10	1223.08	343.30		0695.68	866.67	80.27
1,400	93.80	1323.08	380.30		740.72 35,938	933.33 37,827	79.36
1,500	100.50	1423.08	417.30		785.76	996.00	78.89
1,600	107.20	1523.08	454.30	1038.50	830.80	996.00	83.41

TAXABLE WAGE = AWW LESS \$76.92
 SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE: 1,889
 5% DECREASE

TABLE 3

SINGLE WITH NO CHILDREN

ATTIE

AWW	FICA	TAXABLE WAGE	1983 TAX DED	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 80.77	\$ 7.60	1 \$ 85.70 ⁸⁵	\$ 68.56	\$ 66.67 ⁶⁶	102.84
150	10.05	130.77	16.00	6 ^{118.95} ⁶⁶⁰	99.16	100.00 ⁶⁰⁰	99.16
200	13.40	180.77	24.60		4/129.60 ⁵¹⁸	133.33 ⁵³³	97.20
250	16.75	230.77	34.60		12/158.92 ¹⁵⁸⁹	166.67 ¹⁶⁶⁶	95.35
300	20.10	280.77	46.40		15/186.80 ²⁸⁰²	200.00 ^{3,000}	93.40
350	23.45	330.77	59.10		14/213.96 ²⁹⁹⁵	233.33 ^{3,266}	91.70
400	26.80	380.77	74.10		13/239.28 ³¹¹⁰	266.67 ^{3,444}	89.73
450	30.15	430.77	89.20		12/264.52 ³¹⁷⁴	300.00 ^{3,600}	88.17
500	33.50	480.77	106.20		12/288.24 ³⁴⁵⁸	333.33 ^{3,999}	86.47
550	36.85	530.77	123.20		10/311.96 ³¹¹⁹	366.67 ³⁶⁶⁶	85.08
600	40.20	580.77	141.70		7/334.48 ²⁴¹¹	400.00 ²⁸⁰⁰	83.62
650	43.55	630.77	160.20		8/357.00 ²⁸⁵⁶	433.33 ³⁴⁶⁶	82.38
700	46.90	680.77	178.70		5/379.52 ¹⁸⁹¹	466.67 ²³³²	81.33
750	50.25	730.77	195.40		2/403.48 ⁸⁰⁶	500.00 ¹⁰⁰⁰	80.70
800	53.60	780.77	213.90		0/426.00	533.33	79.88
850	56.95	830.77	232.40		0/448.52	566.67	79.15
900	60.30	880.77	250.90		1/471.04 ⁴⁷¹	600.00 ⁶⁰⁰	78.51
950	63.65	930.77	269.40		1/493.56 ⁴⁹³	633.33 ⁶³³	77.93
1,000	67.00	980.77	287.90		0/516.08	666.67	77.41
1,100	73.70	1080.77	324.90		1/561.12 ⁵⁶¹	733.33 ⁷³³	76.52
1,200	80.40	1180.77	361.90		2/606.16 ¹⁸¹⁸	800.00 ²⁴⁰⁰	75.77
1,300	87.10	1280.77	398.90		0/651.20	866.67	75.14
1,400	93.80	1380.77	435.90		6/696.24 ^{32,827}	933.33 ^{37,827}	74.60
1,500	100.50	1480.77	472.90		7/741.28	996.00	74.43
1,600	107.20	1580.77	509.90		7/786.32	996.00	78.95

TAXABLE WAGE = AWW LESS \$19.23

SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE: \$ 5004

13% DECREASE

TABLE 3

SINGLE WITH NO CHILDREN

FISH

AWW	FICA	TAXABLE WAGE	1983 TAX DED.	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 80.77	\$ 7.60	\$ 85.70	\$ 68.56	\$ 66.67	102.84
150	10.05	130.77	16.00	123.95	99.16	100.00	99.16
200	13.40	180.77	24.60	162.00	37129.60	133.33	97.20
250	16.75	230.77	34.60	198.65	41158.92	166.67	95.35
300	20.10	280.77	46.40	233.50	27186.80	200.00	93.40
350	23.45	330.77	59.10	267.45	13213.96	233.33	91.70
400	26.80	380.77	74.10	299.10	8239.28	266.67	89.73
450	30.15	430.77	89.20	330.65	15264.52	300.00	88.17
500	33.50	480.77	106.20	360.30	4288.24	333.33	86.47
550	36.85	530.77	123.20	389.95	6311.96	366.67	85.08
600	40.20	580.77	141.70	418.10	4334.48	400.00	83.62
650	43.55	630.77	160.20	446.25	4357.00	433.33	82.38
700	46.90	680.77	178.70	474.40	3379.52	466.67	81.33
750	50.25	730.77	195.40	504.35	2403.48	500.00	80.70
800	53.60	780.77	213.90	532.50	1426.00	533.33	79.88
850	56.95	830.77	232.40	560.65	448.52	566.67	79.15
900	60.30	880.77	250.90	588.80	471.04	600.00	78.51
950	63.65	930.77	269.40	616.95	493.56	633.33	77.93
1,000	67.00	980.77	287.90	645.10	516.08	666.67	77.41
1,100	73.70	1080.77	324.90	701.40	561.12	733.33	76.52
1,200	80.40	1180.77	361.90	757.70	606.16	800.00	75.77
1,300	87.10	1280.77	398.90	814.00	651.20	866.67	75.14
1,400	93.80	1380.77	435.90	870.30	696.24	933.33	74.60
1,500	100.50	1480.77	472.90	926.60	741.28	996.00	74.43
1,600	107.20	1580.77	509.90	982.90	786.32	996.00	78.95

TAXABLE WAGE = AWW LESS \$19.23

SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE 2,823

7% DECREASE

TABLE 1

MARRIED WITH TWO CHILDREN

FISH

AWW	FICA	TAXABLE WAGE	1983 TAX DED	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 23.08	\$ 0.00	20 \$ 93.30 1866	\$ 74.64	\$ 66.67	111.96
150	10.05	73.08	3.80	28 136.15 2800	108.92	100.00	108.92
200	13.40	123.08	10.30		37141.04 5218	133.33	105.78
250	16.75	173.08	18.30		41171.96 7050	166.67	103.18
300	20.10	223.08	26.30		27202.88 5883	200.00	101.44
350	23.45	273.08	35.70		13232.68 3054	233.33	99.72
400	26.80	323.08	45.20		8262.40 2099	266.67	98.40
450	30.15	373.08	55.80		15291.24 4368	300.00	97.08
500	33.50	423.08	67.80		4318.96 1275	333.33	95.69
550	36.85	473.08	80.50		6346.12 2076	366.67	94.40
600	40.20	523.08	94.00		4372.64 1490	400.00	93.16
650	43.55	573.08	108.60		4398.28 1593	433.33	91.91
700	46.90	623.08	124.60		3422.80 1268	466.67	90.60
750	50.25	673.08	141.70		2446.44 892	500.00	89.29
800	53.60	723.08	160.20		1468.96 468	533.33	87.93
850	56.95	773.08	178.70		614.35 0491.48	566.67	86.73
900	60.30	823.08	195.30		644.40 515.52 41370	600.00	85.92
950	63.65	873.08	213.80		672.55 538.04 41164	633.33	84.95
1,000	67.00	923.08	232.30		700.70 560.56	666.67	84.08
1,100	73.70	1023.08	269.30		757.00 605.60	733.33	82.58
1,200	80.40	1123.08	306.30		813.30 650.64	800.00	81.33
1,300	87.10	1223.08	343.30		869.60 695.68	866.67	80.27
1,400	93.80	1323.08	380.30		925.90 740.72	933.33	79.36
1,500	100.50	1423.08	417.30		982.20 785.76	996.00	78.89
1,600	107.20	1523.08	454.30		1038.50 830.80	996.00	83.41

TAXABLE WAGE = AWW LESS \$76.92
 SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

DIFFERENCE: 20%
 .5% INCREASE

MEMORANDUM

State of Alaska

AWCB
JUNEAU APR 1 1983

TO: Jackie McClintock, Director
Workers Compensation Division
Thru: *John E. Post*
John Post, Director
Administrative Services Division
Thru: Chuck Caldwell, Chief *CAC*
Research and Analysis
From: Elfrieda Mullin, Labor Economist *EM*
Research and Analysis

DATE: April 1, 1983
FILE NO:
TELEPHONE NO: 465-4514
SUBJECT: Comparison Tables for 80%
of Net Spendable vs. Current
Schedule of Workers
Compensation

Attached are tables comparing 80 percent of spendable wage and the current schedule of weekly worker's compensation. These tables are quite similar to the ones we provided you last year except that we have used the new table of payroll deductions for income tax. The payroll deductions are in effect only until July 1, 1983. At that time further reductions in the payroll tax will occur.

Last year's comparison used 80 percent of spendable as was provided in HB 159. Since that law had a minimum of \$110 and provided for 100% of spendable wages when weekly wages were less than \$110, you will notice a significant difference at the low range. We have just observed the 80% of spendable declaration in this year's comparison.

These tables do not take into consideration the Alaska U.I. tax in calculating spendable wage (50 cents per \$100 in payroll this year). Additionally, the lack of state income tax in Alaska put spendable wages higher in Alaska than would occur in states with income tax laws.

Compared to last year the spendable wage formula is slightly improved in relation to the comparable compensation for that gross wage under the current law. The low ranges of earnings would receive greater compensation under the spendable wage formula, particularly those with several dependents. On the other hand, the cost to insurance companies would be reduced since high wage earners would receive less than they currently do.

With the absence of state income tax and the reducing federal income taxes a person is less likely to be receiving more in Workers Compensation under the current law than in take home pay, however, it still can occur. Note that a single person with no dependents earning \$800 a week or more would receive more in workers compensation than in normal take home pay. (These tables assume standard deduction. In actuality, higher wage earners tend to use itemized deductions and may use additional "dependents" to prevent having too much deducted from wages.)

Using the spendable wage formula would make it difficult for any claimant to be eligible for the maximum of \$996. Continuing the attached tables, a single with no dependents would have to have weekly wages of \$2,065.54 in order to receive the maximum. A married claimant with two children would have to have weekly wages of \$1,966.79. Under the current program the maximum can be reached by any individual earning \$1,494 per week.

Attachments

<u>COLUMN NUMBER</u>	<u>HEADING</u>	<u>DESCRIPTION</u>
1	AVERAGE WEEKLY WAGE	Self explanatory
2	FICA	The FICA tax rate for 1983 is 6.7%. The maximum taxable wage is \$35,700, however, no adjustments are made for this maximum in these tables.
3	TAXABLE WAGE	This is the average weekly wage in column 1 reduced by \$19.23 times the total number of dependents applicable. The amount \$19.23 is \$1,000/52 (the annual exemption per dependent).
4	1983 TAX DEDUCTION	This column is the amount of Federal income tax an employer will deduct in 1983 (first six months) using the Federal Percentage Method for weekly payroll. The Internal Revenue Service provides specific instructions in Circular E - Employer's Tax Guide - Publication 15. The rates used are in effect until July 1, 1983.
5	SPENDABLE INCOME	This is the Average Weekly Wage in column 1 reduced by FICA and the 1983 tax deduction.
6	80% of SPENDABLE WAGE	Self explanatory.
7	CURRENT LAW	Current law provides that the claimant receive compensation in the amount of two-thirds of his average weekly wage up to a maximum of twice the state average weekly wage (\$498 x 2 = 996).
8	80% of SPENDABLE WAGE AS % of CURRENT	Self explanatory.

TABLE 1

MARRIED WITH TWO CHILDREN

AWW	FICA	TAXABLE WAGE	1983 TAX DED	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 23.08	\$ 0.00	\$ 93.30	\$ 74.64	\$ 66.67	111.96
150	10.05	73.08	3.80	136.15	108.92	100.00	108.92
200	13.40	123.08	10.30	176.30	141.04	133.33	105.78
250	16.75	173.08	18.30	214.95	171.96	166.67	103.18
300	20.10	223.08	26.30	253.60	202.88	200.00	101.44
350	23.45	273.08	35.70	290.85	232.68	233.33	99.72
400	26.80	323.08	45.20	328.00	262.40	266.67	98.40
450	30.15	373.08	55.80	364.05	291.24	300.00	97.08
500	33.50	423.08	67.80	398.70	318.96	333.33	95.69
550	36.85	473.08	80.50	432.65	346.12	366.67	94.40
600	40.20	523.08	94.00	465.80	372.64	400.00	93.16
650	43.55	573.08	108.60	497.85	398.28	433.33	91.91
700	46.90	623.08	124.60	528.50	422.80	466.67	90.60
750	50.25	673.08	141.70	558.05	446.44	500.00	89.29
800	53.60	723.08	160.20	586.20	468.96	533.33	87.93
850	56.95	773.08	178.70	614.35	491.48	566.67	86.73
900	60.30	823.08	195.30	644.40	515.52	600.00	85.92
950	63.65	873.08	213.80	672.55	538.04	633.33	84.95
1,000	67.00	923.08	232.30	700.70	560.56	666.67	84.08
1,100	73.70	1023.08	269.30	757.00	605.60	733.33	82.58
1,200	80.40	1123.08	306.30	813.30	650.64	800.00	81.33
1,300	87.10	1223.08	343.30	869.60	695.68	866.67	80.27
1,400	93.80	1323.08	380.30	925.90	740.72	933.33	79.36
1,500	100.50	1423.08	417.30	982.20	785.76	996.00	78.89
1,600	107.20	1523.08	454.30	1038.50	830.80	996.00	83.41

TAXABLE WAGE = AWW LESS \$76.92

SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

TABLE 2

MARRIED WITH NO CHILDREN

AWW	FICA	TAXABLE WAGE	1983 TAX DED	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 61.54	\$ 2.10	\$ 91.20	\$ 72.96	\$ 66.67	109.44
150	10.05	111.54	8.40	131.55	105.24	100.00	105.24
200	13.40	161.54	16.40	170.20	136.16	133.33	102.12
250	16.75	211.54	24.40	208.85	167.08	166.67	100.25
300	20.10	261.54	33.50	246.40	197.12	200.00	98.56
350	23.45	311.54	43.00	283.55	226.84	233.33	97.22
400	26.80	361.54	53.00	320.20	256.16	266.67	96.06
450	30.15	411.54	65.00	354.85	283.88	300.00	94.63
500	33.50	461.54	77.40	389.10	311.28	333.33	93.38
550	36.85	511.54	90.90	422.25	337.80	366.67	92.13
600	40.20	561.54	104.90	454.90	363.92	400.00	90.98
650	43.55	611.54	120.90	485.55	388.44	433.33	89.64
700	46.90	661.54	137.40	515.70	412.56	466.67	88.41
750	50.25	711.54	155.90	543.85	435.08	500.00	87.02
800	53.60	761.54	174.40	572.00	457.60	533.33	85.80
850	56.95	811.54	192.90	600.15	480.12	566.67	84.73
900	60.30	861.54	209.50	630.20	504.16	600.00	84.03
950	63.65	911.54	228.00	658.35	526.68	633.33	83.16
1,000	67.00	961.54	246.50	686.50	549.20	666.67	82.38
1,100	73.70	1061.54	283.50	742.80	594.24	733.33	81.03
1,200	80.40	1161.54	320.50	799.10	639.28	800.00	79.91
1,300	87.10	1261.54	357.50	855.40	684.32	866.67	78.96
1,400	93.80	1361.54	394.50	911.70	729.36	933.33	78.15
1,500	100.50	1461.54	431.50	968.00	774.40	996.00	77.75
1,600	107.20	1561.54	468.50	1024.30	819.44	996.00	82.27

TAXABLE WAGE = AWW LESS \$38.46

SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

TABLE 3

SINGLE WITH NO CHILDREN

AWW	FICA	TAXABLE WAGE	1983 TAX DED.	SPENDABLE WAGE	80 % OF SPENDABLE WAGE	CURRENT LAW	80 % OF SPENDABLE AS % OF CURRENT
\$ 100	\$ 6.70	\$ 80.77	\$ 7.60	\$ 85.70	\$ 68.56	\$ 66.67	102.84
150	10.05	130.77	16.00	123.95	99.16	100.00	99.16
200	13.40	180.77	24.60	162.00	129.60	133.33	97.20
250	16.75	230.77	34.60	198.65	158.92	166.67	95.35
300	20.10	280.77	46.40	233.50	186.80	200.00	93.40
350	23.45	330.77	59.10	267.45	213.96	233.33	91.70
400	26.80	380.77	74.10	299.10	239.28	266.67	89.73
450	30.15	430.77	89.20	330.65	264.52	300.00	88.17
500	33.50	480.77	106.20	360.30	288.24	333.33	86.47
550	36.85	530.77	123.20	389.95	311.96	366.67	85.08
600	40.20	580.77	141.70	418.10	334.48	400.00	83.62
650	43.55	630.77	160.20	440.25	357.00	433.33	82.38
700	46.90	680.77	178.70	474.40	378.52	466.67	81.33
750	50.25	730.77	195.40	504.35	403.48	500.00	80.70
800	53.60	780.77	213.90	532.50	426.00	533.33	79.88
850	56.95	830.77	232.40	560.65	448.52	566.67	79.15
900	60.30	880.77	250.90	588.80	471.04	600.00	78.51
950	63.65	930.77	269.40	616.95	493.56	633.33	77.93
1,000	67.00	980.77	287.90	645.10	516.08	666.67	77.41
1,100	73.70	1080.77	324.90	701.40	561.12	733.33	76.52
1,200	80.40	1180.77	361.90	757.70	606.16	800.00	75.77
1,300	87.10	1280.77	398.90	814.00	651.20	866.67	75.14
1,400	93.80	1380.77	435.90	870.30	696.24	933.33	74.60
1,500	100.50	1480.77	472.90	926.60	741.28	996.00	74.43
1,600	107.20	1580.77	509.90	982.90	786.32	996.00	78.95

TAXABLE WAGE = AWW LESS \$19.23

SPENDABLE WAGE = AWW LESS FICA AND 1983 TAX DEDUCTION

Bill No. HB 311

Date April 13, 1983

Title "An Act relating to Workers' Compensation; and providing for an effective date."

Contact: *JM*
J. L. McClintock
465-2790

The Department of Labor and the Alaska Workers' Compensation Board support the provisions of HB 311. This bill is the result of an agreement reached by a committee representing labor and employers in the state and reflects over three years of hearings in which testimony was provided by workers, labor groups, employers, insurers, rehabilitation and medical providers, attorneys and state agency personnel. The Workers' Compensation Board and Division worked very closely with the committee in recommending amendments that provide for a more equitable and efficient workers' compensation system for employees and employers.

The major portions of the bill will result in a redistribution of benefits which will reduce disincentives to return to work and provide long term reductions in workers' compensation costs. This is based on increases in scheduled permanent partial disabilities, the minimum compensation rate, death benefits and new methods to compute gross weekly earnings.

PERSPECTIVE ON THE PROPOSED 1983 AMENDMENTS
TO THE WORKERS' COMPENSATION ACT

Prepared by the Joint Labor/Management Ad Hoc Committee
March, 1983

BACKGROUND

In 1968 the Alaska weekly maximum workers' compensation benefit was \$113.00. By 1974, the maximum weekly compensation rate rose to \$175.00. During this period of time, Congress established the National Commission on State Workmen's Compensation Laws to "undertake a comprehensive study and evaluation of State workmen's compensation laws, in order to determine if such laws provide an adequate, prompt, and equitable system of compensation." In 1972 the National Commission recommended to the President and Congress:

[T]hat, subject to the State's maximum weekly benefit, temporary total disability benefits be at least 80% of the worker's spendable weekly earnings. This formula should be used as soon as feasible or, in any case, as soon as the maximum weekly benefit in a state exceeds 100% of the state's average weekly wage. (R 3.6; p 60)

[T]hat...the maximum weekly benefit for temporary total disability...[gradually increase so that] after July 1, 1981, the maximum should be at least 200% of the state's average weekly wage. (R 3.9; p 62) (See Exhibit 1)

In a pro-labor atmosphere and in reaction to some of the National Commission's findings the Alaska Legislature in 1975 amended the Alaska Workers' Compensation Act (Act) by providing a gradual phase-in of the 200% of state average weekly wage maximum, doubling the scheduled permanent partial disability maximum in the Act, and eliminating the \$30,000 limit on unscheduled permanent partial disability (see ch 83 SLA 1975).

Management bitterly contested the 1975 labor-sponsored amendments. As a result, little thought was given by labor, management or the legislature to workers' compensation as an effective delivery system. Only a portion of the 1972 Commission's recommendations were enacted, i.e., the portion recommending the phase-in to 200% of the state average weekly wage. The recommendation for implementing the 80% of spendable weekly earnings formula was omitted by the legislature. Due to the law change, workers' compensation premium rates increased 35.2% in 1975, 13.0% in 1976, and 6% in 1977 (see Exhibit 2).

Contributions to Worker's Compensation Committee of Alaska

Clary Agency
Industrial Indemnity
J.B. Gottstien & Company
Nabors Alaska Drilling
Air Van Lines
Northern Adjusters
SOHIC
Reliable Transfer
Frontier Equipment
Arco
Alyeska Pipeline Service Co.
Wein Air Alaska
Sourdough
World Wide Movers
AAA Delivery
Alaska Trucking Association
Alexander and Alexander
Scott Wetzel Services
Evergreen Helicopter Inc.
Denali Transportation
Avis Rent-a-Car
H & S Warehouse Inc.
Alaska Pacific Assurance Co.
Lynden Transport Inc.
Bristol Bay Contractors
K & W Trucking
Harold's Rent-A-Truck (Anchorage)
Seward Service (ATA)
Hermon Brothers Construction (Palmer)
Alascon
Alaska Gas & Service Co.
Kenworth Northwest Inc.
Kodiak Oil Sales
Alaska Chapter of CPCU
Bekins
Four Star Terminals
Northwest Gas
Pictures, Inc.
Redi Electric
Strano Steel & Feek, Inc.
Denali Trucking

Stephen's Bros. Plumbing
Parker, Smith & Feek, Inc.
Fessler Equipment Co.
Alaska Airlines
Sea-Air, Inc.
Schlumberger Offshore
Food Services, Inc. (McDonalds)
KNA Oilfield Services
Tesoro Alaska
Alaska Cleaners
Sealand Industries
Construction Industry Advancement Fund
Parker, Smith & Feek, Inc.
Corroon & Black/Dawson
Enstar
Douglas Trucking
Frontier Companies of Ak
Leonard McLean
Herman Bros.

In 1977, management successfully sponsored legislation reimposing a limit on "unscheduled" permanent partial disability -- this time at \$60,000 (see ch 75 SLA 1977). The 1977 amendments reduced workers' compensation premium rates by 18.6% (see Exhibit 2).

As a result of the 1975 amendments the maximum weekly compensation rate continues to increase. The maximum rate depends upon the state average weekly wage and the percentage multiplier contained in AS 23.30.175(a). The state average weekly wage and maximum workers' compensation rate for injuries occurring in the years indicated are contained in Exhibit 3.

Presently the maximum weekly workers' compensation benefit is \$996.00 per week. Of course, the maximum benefit is limited by a recipient's average weekly wage. Accordingly, a recipient must have earned an average of \$1,494.00 per week during one of the three years preceding his injury to be eligible for the maximum weekly workers' compensation benefit.

LEGISLATIVE TASK FORCE

The Alaska Legislature passed a resolution in 1980 establishing a task force to study the Alaska workers' compensation system and to recommend changes in response to Richard Fineberg's report, "Workers' Compensation Problems in Alaska". The committee, co-chaired by Senator Terry Stimson and Representative Brian Rogers, included representatives from labor, management, and the insurance industry. Fact finding hearings were held in Anchorage, Fairbanks and Juneau. Ultimately, the joint effort failed at the close of the 1981 legislative session and little corrective legislation was recommended.

Despite the joint task force demise, a few changes were jointly recommended and implemented including: increasing employer's contribution to the second injury fund, new reporting requirements to allow effective monitoring of the system; and a directive to undertake a study of vocational rehabilitation of the injured worker (see ch 59 SLA 1981 and Exhibit 4). Funds were also made available to further study the Alaska workers' compensation system. These studies, presented to the legislature in 1982, are: "The Report of the Comprehensive Study of Vocational Rehabilitation in the Alaska Workers' Compensation Program" by Zee Jackson (Exhibit 5); and "An Analysis of the Alaska Workers' Compensation System" by John H. Lewis (Exhibit 6).

Coinciding with the efforts of the legislatively created task force was the formation of two employer oriented groups, the Workers' Compensation Committee of Alaska (WCCA) and the Alaska Conference of Employers (ACE). In 1980, ACE commissioned a study by Richard Block and Associates entitled "Identification and Elimination of the Causes of the High Cost of Workers' Compensation Insurance to Alaska Employers" which includes 34 recommendations for the Alaska workers' compensation laws. In 1982 ACE commissioned another study which recommended specific changes to the Alaska Workers' Compensation Act. This study, prepared by Edward Hite, was presented to the House Labor and Commerce Committee in 1982.

In the summer of 1981, House Labor and Commerce Chairman Terry Martin held additional hearings in Anchorage, Fairbanks and Juneau on the Alaska workers' compensation system. More hearings were held on workers' compensation during the early portion of the second session.

Legislators, consultants and others repeatedly recommended that labor and management representatives jointly agree on a workers' compensation bill and present it to the legislature for passage. In February, 1982 that process was initiated.

THE LABOR/MANAGEMENT AD HOC COMMITTEE

Following a February 5, 1982 meeting in Anchorage which over 50 representatives of labor and management attended, a joint ad hoc committee was formed to discuss the possibility of proposing workers' compensation legislation. The labor/management ad hoc committee formulated several objectives which included:

- (1) providing an effective system for the delivery of benefits and services;
- (2) discouraging fraudulent claims and fraudulent statements to obtain or deny workers' compensation benefits;
- (3) providing an effective deterrent for those employers failing to provide required workers' compensation insurance;
- (4) increase incentives and decrease disincentives for returning to work after an injury;
- (5) encourage safety;
- (6) provide for effective rehabilitation of an injured worker;
- (7) redistribute dollars from those workers not severely injured to those seriously injured workers who have lost the ability to be gainfully employed as a result of their injury;
- (8) reduce or minimize the impact of workers' compensation premiums on the employer;
- (9) continue studying the Alaska workers' compensation system to identify problems and recommend solutions; and
- (10) stabilizing the atmosphere for discussing proposed changes to the Alaska Workers' Compensation Act.

Time was obviously limited if the legislation was to be introduced during the 12th Legislature. Accordingly, the ad hoc committee agreed to limit their efforts towards:

- (1) Technical changes to the Act necessary for more effective administration;
- (2) Implementing a system which:
 - (A) Provides for the early identification of injured workers who potentially need rehabilitation;
 - (B) Provides for the early return to direct employment;
 - (C) Provides incentives to return to work and reduces disincentives to return to work;
 - (D) Provides for appropriate criminal penalties for willful misrepresentation of facts for the purpose of obtaining or denying benefits; and
 - (E) Provides a mechanism for cease and desist orders to be issued against uninsured employers.

The ad hoc committee found that the existing method of determining weekly compensation benefits (66-2/3% of gross wages: see AS 23.30.185) created a disincentive to return to work especially for the high wage earner. For example, a single worker earning \$1,494.00 per week takes home approximately \$915.75 per week (subtracting \$477.75 in income tax withholding and \$100.50 in FICA withholding). The same worker could receive \$996.00 per week in workers' compensation. There is little incentive to return to work under these and similar circumstances.

Reducing the amount of workers' compensation an injured worker receives relative to his income increases the incentive the return to work. In examining other states' laws, the committee noted that only one other state (Iowa) and the federal Longshoremen's and Harbor Workers' Compensation Act (L & H Act) base the maximum benefit on 200% of the state average weekly wage. The overwhelming majority of states limit weekly benefits to 100% of the state average weekly wage (see Exhibit 7, Chart V, p 15-17). In Alaska, a maximum benefit of 100% of the state average weekly wage would presently limit benefits to a maximum of \$498.00 per week. This alternative is not looked upon favorably by labor.

A second alternative was to implement that portion of the 1972 National Commission's findings which was omitted in the 1975 amendments to the Act, i.e., benefits based upon 80% of spendable earnings. The ad hoc committee noted that Iowa, the only other state basing the maximum rate upon 200% of the state average weekly wage, utilizes the 80% of spendable income formula. Similarly, the United States Comptroller General in his report entitled "Longshoremen and Harbor Workers' Compensation Act Needs Amending", found at p. 15 that:

[T]he current level of benefits provides compensation that comes closer to full replacement of net earnings than to the 66-2/3% replacement anticipated when the Act was passed. In addition to minimizing incentives to return to work, compensation that approaches take-home pay gives little recognition to a basic concept of workers' compensation, that there should be some sharing of risk between employer and employee for work-related illness or injury. (See Exhibit 8 for further discussion.)

The ad hoc committee agreed that labor and management are better served by a system that provides increasing benefits for workers above the 100% of state average weekly wage because of the arbitrary nature of that ceiling. On the other hand, the benefit level should not exceed nor approximate the take-home pay of an injured worker. The committee recommended a system whereby the injured worker receive 80% of spendable weekly earnings as it appeared to achieve both goals.

The ad hoc committee also examined the compensation paid to injured workers for "scheduled" permanent partial disabilities (see AS 23.30.190(a)(1-18)). The current maximums for scheduled injuries have not been changed since 1975. One-half of the states pay scheduled benefits equal to or higher than Alaska (see Exhibit 7, Chart VI, p.18). An increase of 35% in the scheduled permanent partial disability maximums was agreed upon by the ad hoc committee as a fair adjustment. Similarly, the ad hoc committee agreed to increase the unscheduled permanent partial disability maximum contained in AS 23.30.190(b) from \$60,000 to \$75,000.

Other minor changes were agreed to, such as: limiting the adjustment for the value of room and board on gross income to those persons whose incomes are below the state average weekly wage; insuring that workers' compensation benefits are based upon taxable income; increasing the injured worker's minimum compensation; excluding from coverage activities of a personal nature away from employer-provided facilities at remote job sites; increasing the penalties for misrepresentation; providing for the issuance of a stop-order against an uninsured employer.

Additionally, a new method of computing the wage or gross earnings was proposed instead of the presently existing highest of the preceding three calendar years. The new method would base gross earnings on the most recent quarters' earnings if a worker were continuously employed by an employer and base earnings on an average of the preceding two years if not continuously employed in the preceding calendar quarter. Finally, legislation was proposed to provide for the prompt identification, evaluation and rehabilitation of injured workers whose disability precludes their return to work.

This legislative package, HB 159 (1982), passed the House unanimously. While awaiting hearing in Senate Labor and Commerce, information was circulated concerning the anticipated cost of this proposed legislation.

Although no official notice or document has been found to exist, it is believed that the National Council on Compensation Insurance (NCCI) preliminarily rated this legislation as potentially increasing workers' compensation rates by approximately 9%. Many employers who had not participated in drafting the legislation and were unfamiliar with the method by which NCCI rates workers' compensation laws, became apprehensive. Ultimately, those items to which NCCI had affixed a cost were removed from the bill and the remaining legislation, primarily providing for vocational rehabilitation, passed the Senate and became law (see ch 93 SLA 1982).

1983 PROPOSED LEGISLATION

The legislation proposed by the Labor/Management Ad Hoc Committee this year is in essence the legislation removed from HB 159 (1982) in the Senate with a few minor changes¹. In essence, the bill provides for:

1. Increasing the minimum compensation from \$65.00 to \$110.00 per week.
2. Increasing the maximum paid for scheduled permanent partial disabilities contained in AS 23.30.190(a).
3. Increasing the funeral expenses for death claims.
4. Increasing the minimum compensation for a widow or widower from \$45.00 to \$75.00 per week.
5. Basing weekly benefits upon 80% of the spendable weekly earnings.
6. Computation of gross weekly earnings will be based upon an average of the two preceding calendar years.
7. Definitional changes necessary to effectuate the above changes.

NCCI preliminarily rates these changes as increasing the compensation rates by 3%. The process of rating workers' compensation legislation allows for input from the local insurance community or committee to specifically adjust the preliminary NCCI estimate and allow for the "Alaska" experience. We believe the local committee will reduce this preliminary rating by NCCI by at least one or two percent. The remaining increase, if any, the committee believes will not be justified in the long run. The reduced weekly benefit rates coupled with the previously enacted changes to vocational rehabilitation should decrease the incentive to stay on workers' compensation and increase the incentive to return to work. This decreased utilization of the system

¹No increase in unscheduled permanent partial disability compensation, AS 23.30.190(b); and the spendable weekly wage is not based on the previous reporting quarter's earnings.

should result in reduced workers' compensation rates. We believe that this assumption of decreased utilization of the workers' compensation system is a valid assumption; however, we recognize the difficulty in inserting such an assumption in the actuarial projections made by NCCI.

The ad hoc committee remains a viable entity at the present time and hopes to continue providing a stable, rational forum for the discussion of Alaska's Workers' Compensation Act. The committee notes that in 1981 the average workers' compensation premium per worker in Alaska was \$594.98; the State of Washington per worker premium was \$185.50; and the national average was \$189.57 (see Exhibit 9). Many believe these rates must be reduced if Alaska expects to attract industry to broaden its economic base and provide a more stable labor market. On the other hand, the committee believes that legitimately injured workers should continue to timely receive compensation and rehabilitation in accordance with the philosophy of the Workers' Compensation Act.

Adams

HB 311

SECTION BY SECTION ANALYSIS

Section 1. This section increases the minimum compensation from \$65 to \$110 per week and reflects changes necessary because of the reenactment of AS 23.30.220 found in section 10 which makes the spendable weekly wage of an employee the basis of compensation.

Section 2. and 3. See comments to Section 1.

Section 4. This section changes the manner of determining compensation consistent with the repeal and reenactment of AS 23.30.220 found in section 11 which makes the employee's spendable weekly wage the basis for determining compensation.

Eighty percent of the employee's spendable weekly wage minimizes the possibility of an employee receiving more in workers' compensation than his take home pay while working. The change is consistent with recommendations of the 1972 Report of the National Commission on State Workers' Compensation Law which states at page 19:

The decision fixing the proportion of lost wages to be replaced must balance incentives to employers to improve safety within incentives to the disabled to take full advantage of rehabilitation services and to return to work.

We recommend that cash benefits for [disability compensation] be at least two-thirds of the worker's gross weekly wage. The two-thirds formulation should be used only on a transitional basis until the State adopts a provision making payments at least 80 percent of the workers' spendable weekly earnings.

Section 5. See comments to section 4.

Section 6. See comments to section 4.

Additionally, this section provides for inflationary increases in the maximum paid for "scheduled" and permanent partial disabilities.

technical word change in CS - p. 5, lines 2-3

Section 7. See comments to section 4.

Section 8. This section reflects changes consistent with the repeal and reenactment of AS 23.30.220 found in section 11.

Section 9. See comments to section 4.

Additionally, this section provides for inflationary increases in funeral expenses on death claims. The current limit for reasonable and necessary funeral expenses are not adequate and result

in a hardship to the family of the deceased or the employer for payment of the additional costs.

Section 10. This section reflects changes consistent with the repeal and reenactment of AS 23.30.220 found in section 11. Additionally, the minimum weekly compensation for a widow or widower is increased from \$45 to \$75 per week.

Section 11. This section adopts a new basis for computing compensation known as the "spendable weekly wage". The spendable weekly wage is the employee's gross weekly earnings, minus payroll tax deductions, which are defined in section 13. The change is consistent with the 1972 report of the National Commission on State Workers' Compensation Laws.

It is an administratively feasible procedure which can simultaneously take into account the difference between gross and spendable earnings, the virtues of dependents' allowances and the impact of the progressive income tax. This procedure first determines the worker's gross earnings prior to disability (which must be determined under the present Act) and the number of his dependents. The gross earnings and dependency data are then inserted into a formula prepared and published by the Department of Labor to determine the worker's spendable earnings. Once spendable earnings are calculated, workers' compensation benefits for all sizes of families can be calculated as a fixed proportion of spendable weekly earnings. No further allowances for dependents for tax considerations are necessary or appropriate.

This section also adopts a new basis for determining the gross earnings of an injured worker. An injured worker's gross weekly earnings are computed by dividing by 100 the gross earnings of the employee in the two calendar years immediately preceding the injury. Utilizing the preceding two years tends to eliminate the cyclical nature of many industries. Dividing by 100 instead of 104 tends to adjust previous years' earnings for inflation. This section also allows the Board to adjust the average weekly wage calculation if it is unfair to the employee or employer.

Section 12. This section reflects changes consistent with the repeal and reenactment of AS 23.30.220 found in section 11.

Section 13. This section provides for new definitions.

"Gross earnings" includes payments before any authorized or lawfully required deduction such as credit union, dues check off, social security, federal withholding, or deferred compensation which is optional to the employee at the time of his injury. Specifically, deferred compensation which is optional at the time of injury refers to those employees of government and non-profit corporations and associations which may elect to defer income from a particular pay period or pay periods but have the option of terminating the deferral of that income at any time during their employment. Excluded from gross earnings are irregular bonuses, reimbursement of expenses, expense allowances and any benefits not taxable to the employee during the pay period. "Any

benefit not taxable to the employee during the pay period" would include the general items referred to as "fringe benefits" such as: payments providing for health, welfare, retirement, vacation or annual leave and other similar benefits received by the employee for which he is not taxed other than deferred compensation which is optional to the employee at the time of this injury.

technical word
change in
CS - p. 9,
lines 16-18

The value of room and board may be considered in gross earnings only for those injured workers whose gross weekly earnings otherwise computed are less than the Alaska average weekly wage at the time of injury. The value of room and board may be included only to raise the gross weekly earnings up to the level of the Alaska average weekly wage. The value of room and board that would raise an employee's gross weekly earnings above the Alaska average weekly wage is excluded.

"Payroll taxes" are defined to exclude the amount that would be withheld from an employee's gross weekly earnings under the Internal Revenue code as though he had claimed the maximum number of dependents per actual dependency, blindness, and old age. Also deducted is the amount of earnings subject to the Social Security Act irrespective of whether the employee may have paid the maximum Social Security for the year at the time the injury occurs.

Section 14. This section repeals provisions that are unnecessary or inconsistent with proposed legislation.

Section 15. This section provides that the Act apply only to injuries sustained after the effective date of this Act.

Section 16. This section provides that the Act takes effect January 1, 1984.

Introduced: 4/4/83
Referred: Labor & Commerce
and Finance

1 IN THE HOUSE

BY FURNACE

2

HOUSE BILL NO. 311

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
7 providing 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 weekly wage
24 January 1, 1976	100 percent of the weekly wage
25 January 1, 1977	133.3 percent of the weekly wage
26 January 1, 1979	166.6 percent of the weekly wage
27 January 1, 1981	200 percent of the 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
11 injured employee's spendable [AVERAGE] weekly wages shall be paid to
12 the employee during the continuance of the total disability. Loss of
13 both hands, or both arms, or both feet, or both legs, or both eyes, or
14 of any two of them, in the absence of conclusive proof to the con-
15 trary, constitutes permanent total disability. In all other cases
16 permanent 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
26 employee's spendable [AVERAGE] weekly wages in addition to compensa-
27 tion for temporary total disability or temporary partial disability
28 paid in accordance with AS 23.30.185 or 23.30.200, respectively, and
29 shall be 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 reconsideration of the degree of the
3 impairment by the board on its own motion or upon application of a
4 party in interest; whenever the board determines that it is in the
5 interest of justice, the liability of the employer for compensation,
6 or any part of it as determined by the board, may be discharged by the
7 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

1 represents the [REPRESENT HIS] wage-earning capacity of the employee.
2 If 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
6 capacity which is reasonable, having due regard to the nature of the
7 [HIS] injury, the degree of physical impairment, the [HIS] usual
8 employment, and any other factors or circumstances in the case which
9 may affect the [HIS] capacity of the employee to earn wages in a [HIS]
10 disabled condition, including the effect of disability as it may
11 naturally 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 employer to
9 an employee for employment before any authorized or lawfully required
10 deduction or withholding of money by the employer, including compensa-
11 tion that is deferred at the option of the employee, and excluding
12 irregular bonuses, reimbursement of expenses, expense allowances, and
13 any benefit or payment to the employee that is not taxable to the
14 employee during the pay period; the value of room and board to the
15 employee may be considered in determining gross earnings for those
16 employees with gross weekly earnings that are less than the Alaska
17 average weekly wage at the time of injury;

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

20 (34) "payroll taxes" means

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

28 (B) the amount that is or would be deducted or
29 withheld as of the January 1 preceding the injury under the

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

Offered: 4/21/83
Referred: Finance

Original sponsors: Furnace and Szymanski

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2

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

3

IN THE LEGISLATURE ~ 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 weekly wage

24

January 1, 1976

100 percent of the weekly wage

25

January 1, 1977

133.3 percent of the weekly wage

26

January 1, 1979

166.6 percent of the weekly wage

27

January 1, 1981

200 percent of the 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 disabil-
11 ity, 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-
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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.

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
51.0
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[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	

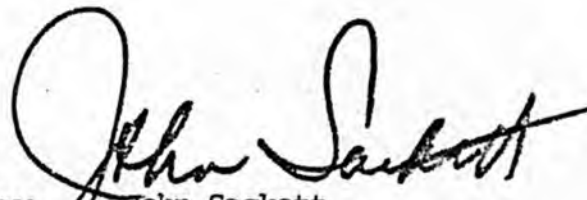
FUNDING (Thousands of Dollars)

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 providing for an effective date."

7

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, reduction, termination, suspension, resumption or a change in rate or type of compensation paid, the employer shall notify the board within 14 days, on a form prescribed by the board, that payment of compensation has begun or has been increased, reduced, terminated, resumed, changed, or suspended, as the case may be. If the employer fails to notify the board within 14 days, the board shall assess against the employer a civil penalty of \$100 plus \$10 [\$25] for each day in excess of 14 days that the employer fails to give notice. Total penalties under this section may not exceed \$1,000 [\$2,500] for each failure to file a required report.

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

22

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

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1 employee's spendable [AVERAGE] weekly wages, and payments made earlier
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4 employer shall pay timely compensation.

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11 spendable [HIS AVERAGE] weekly wages of the employee and the [HIS]
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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
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

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

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

Approved by Commissioner: Richard A. Lyon
Department: Commerce & Economic Development

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
TEMPORARY					

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

Not available.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: ^{MS} Jacquelyn L. McClintock
 Division: Workers' Compensation

Phone: 465-2790
 Date: March 21, 1983

Approved by Commissioner: ^{MS} 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.