

SUBJECT: Increasing the amount of temporary income benefits for certain employees

COMMITTEE: Business and Industry — favorable, without amendment

VOTE: 7 ayes — Oliveira, Simmons, Collier, Fletcher, Rinaldi, Romero, Villalba
0 nays

WITNESSES: For — Rick Levy, Texas AFL-CIO; Fabiola Flores, Texas Worker Advocates; (*Registered, but did not testify*: Chris Jones, Combined Law Enforcement Associations of Texas (CLEAT); Ashley Harris, Texans Care for Children; Cathy Dewitt, Texas Association of Business; Nate Walker, Texas Family Council; Jo Betsy Norton, Texas Mutual Insurance Company; Maxie Gallardo, Workers Defense Project)

Against — None

On — Todd Holt, State Office of Risk Management; (*Registered, but did not testify*: Jessica Corna, Office of Injured Employee Counsel; Amy Lee, Texas Department of Insurance, Division of Workers' Compensation; DC Campbell, Texas Department Insurance)

BACKGROUND: According to Labor Code, sec. 408.101, which is under the Texas Workers' Compensation Act, employees are entitled to temporary income benefits if they have a disability and have not attained maximum medical improvement.

Sec. 408.103(a) establishes the amount of a temporary income benefit for certain workers under the Workers' Compensation Act. That amount is calculated by subtracting the employee's weekly earnings after the injury from the employee's average weekly wage, then applying a certain percentage based on the employee's hourly wage. Employees who earn less than \$8.50 per hour receive 75 percent of the above calculation for the first 26 weeks of receiving the benefit. After 26 weeks, those employees receive 70 percent. Employees who earn a higher hourly wage receive 70 percent for every week they receive a benefit.

DIGEST: HB 1607 would increase the maximum hourly wage threshold under which certain employees were entitled to certain temporary income benefits under the workers' compensation system.

Using the same method as in current law, the bill would increase from \$8.50 to \$10 the maximum hourly wage that an employee could earn to receive, for the first 26 weeks of benefits, 75 percent of the amount computed by subtracting the employee's weekly earnings after the injury from the employee's average weekly wage.

The bill would take effect September 1, 2015, and would apply only to claims for temporary income benefits based on an injury that occurred on or after that date.

SUPPORTERS SAY: HB 1607 would provide a more appropriate amount of temporary income benefits for certain lower-wage workers after they were injured at work. The bill would increase these benefits only for those currently earning an hourly wage between \$8.51 and \$10 and only for 26 weeks. The increase in benefits would help those employees pay their bills and cover other expenses while they were injured and unable to return to work.

The \$8.50 ceiling amount for those who qualify to receive 75 percent has not been changed since the section was enacted in 1993. Even though the minimum wage has increased since that time, this ceiling has not, and it is time to update it.

OPPONENTS SAY: No apparent opposition.

NOTES: The companion bill, SB 901 by Eltife, was passed by the Senate on April 9.