

## **BILL ANALYSIS**

Senate Research Center  
76R14887 PB-F

C.S.H.B. 2842  
By: Brimer (Armbrister)  
Economic Development  
5/12/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, Texas law entitles an employee to temporary income benefits that replace a substantial part of lost wages if the employee has a disability and has not attained maximum medical improvement. Temporary income benefits continue until the employee reaches maximum medical improvements. These benefits are calculated using a statutory formula. C.S.H.B. 2842 would set forth requirements for continued payment of salary by an employer as replacement for certain workers' compensation income benefits.

### **PURPOSE**

As proposed, C.S.H.B. 2842 sets forth requirements for continued payment of salary by an employer as replacement for certain workers' compensation income benefits.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the heading to Section 408.003, Labor Code, as follows:

Sec. 408.003. New heading: REIMBURSABLE EMPLOYER PAYMENTS; SALARY CONTINUATION; OFFSET AGAINST INCOME BENEFITS; LIMITS.

SECTION 2. Amends Section 408.003, Labor Code, by adding Subsections (f), (g), and (h), to require salary continuation payments made by an employer for an employee's disability resulting from a compensable injury to be considered payment of income benefits for the purpose of determining the accrual date of any subsequent income benefits under this subtitle. Provides that an employer is not eligible for reimbursement under this section for those payments, if an employer is subject to contractual obligation with an employee or group of employees, such as a collective bargaining agreement or a written agreement or policy, under which the employer is required to make salary continuation payments. Provides that payments made as salary continuation or salary supplementation do not affect the exclusive remedy provisions of Section 408.001.

SECTION 3. Amends Chapter 408F, Labor Code, by adding Section 408.105, as follows:

Sec. 408.105. SALARY CONTINUATION IN LIEU OF TEMPORARY INCOME BENEFITS. Authorizes an employer to continue to pay the salary of an employee who sustains a compensable injury under a contractual obligation between the employer and employee, such as a collective bargaining agreement, written agreement, or policy. Authorizes the salary continuation to include wage supplements if certain conditions exist.

SECTION 4. Effective date: September 1, 1999.  
Makes application of this Act prospective.

SECTION 5. Emergency clause.