

HOUSE MESSAGE SUMMARY

Date: April 28, 1998
Bill Subject: Workers' Compensation
Prepared By: Senate Committee on Banking and Insurance

I. Amendments Contained in Message

House Amendment 1 - 923447 (body with title)

II. Summary of Amendments Contained in Message**House Amendment 1**

Workers' compensation benefits must be reduced to the extent the workers' compensation benefits and social security benefits (under 42 U.S.C. s. 402 or s. 423), and employer-funded benefits *other than nondisability retirement or nondisability pension* benefits, provided to an employee or his or her dependent exceeds 100 percent of the employee's average weekly wage. (This language is different from the 1st engrossed CS/SB 1092, which included regular retirement and other pension benefits.)

The amendment modifies the conditions under which supplemental benefits would cease at age 62 to require termination if the employee is eligible for either social security disability benefits or social security retirement benefits, rather than be eligible to receive both. (This is identical to the language contained in 1st engrossed CS/SB 1092.)

Also, for workers' compensation benefits payable before July 1, 1998, employers and carriers would be precluded from recouping from employees past overpayments of workers' compensation benefits when the combination of workers' compensation, social security; and employer-funded benefits (including, but not limited to, nondisability retirement or pension benefits) exceeds 100 percent of average weekly wages. (This provision was not in the 1st engrossed CS/SB 1092.)

The amendment also provides a mechanism to create a financing corporation for the purpose of transferring and privatizing the liabilities of the Special Disability Trust Fund to a *qualified entity*. This financing mechanism would be used if the Special Disability Trust Fund Commission determined that the state could realize savings by privatizing the responsibilities and liabilities of the Fund. (Similar Special Disability Trust Fund amendment to SB 1946 was adopted by the Banking and Insurance Committee on 4/20/98.)

The amendment would create a Special Disability Trust Fund Privatization Commission comprised of the following officials or their designees: Governor, Insurance Commissioner, and the Comptroller that would be charged with the responsibility of evaluating the feasibility of privatizing the Fund as well as selecting and contracting with an administrator to review, allow, deny, compromise, controvert, and litigate claims, if it is determined to be more cost efficient than the current administration of the Fund. *The commission may adopt rules necessary for the performance of its assigned duties and responsibilities.* If the Fund is privatized, a financing corporation would be created to issue the debt in order to use the proceeds to privatize the Fund. *The corporation is exempt from the provisions of chapter 287, F.S., relating to procurement of goods and services.*

The corporation, under the control of a three-member board comprised of the following officials or their designees: Governor, Treasurer, and Comptroller, is authorized to issue notes, bonds, and other forms of indebtedness and has all of the powers of a corporation authorized by law.