

S.1161-A (Sanders)/A.2034-A (Joyner)

STAFF CONTACT : Frank Kerbein | Director, Center for Human Resources |

518.455.7180

BILL S.1161-A (Sanders)/A.2034-A (Joyner)
SUBJECT Relates to schedule in case of disability - Minimum Payments
DATE June 07, 2023
OPPOSE

The Business Council of New York State, on behalf of its more than 3,200 members, opposes this bill which would amend WCL §15 (6) by increasing the minimum amount of compensation from \$150 to not less than 1/5 of Statewide Average Weekly Wage (SAWW) or employee's full wages if equal to or less than 1/5 of SAWW.

This bill would establish a new minimum weekly indemnity benefit for employees who

sustained new accidents (on or after the date the bill is signed) and index future weekly minimum indemnity to the State Average Weekly Wage (“SAWW”).

The current minimum weekly indemnity rate for employees who earn more than \$150/week is \$150. This bill would establish an increased minimum weekly benefit rate for new injuries at 1/5 of the SAWW. Simple math shows the enormous impact such an increase would have on the workers’ compensation system – a program completely funded by employers.

Currently there are between 11,000 and 12,000 injured workers receiving the minimum weekly payment. Trying to measure the impact of this increase on the system, you would have to take the delta between the minimum benefit today and what it would be under the bill - the “cost”. We would then have to multiply that “cost” by number of recipients in the system.

$11,000 \times \text{cost} = \text{weekly increase}$

$\text{Weekly increase} \times 52 = \text{yearly increase}$

Current minimum benefit is \$150, under the bill it would go to \$325 – an increase of \$175

$11,000 \times 175 = \$1,925,000$

$\$1,925,000 \times 52 = \mathbf{\$100,100,000 \text{ in year one}}$

Employees with wages less than or equal to \$325/week would receive full salaries.

The impact of this bill will be felt by employers who hire large populations of low-wage earners, part time, or seasonal employees. The significant increase in the minimum weekly indemnity rate, which is tax-free, may deter certain employees from returning to work. The increase in the minimum rate will also have an impact on the cost of workers’ compensation costs/premiums. The New York Compensation Insurance Rating Board has not yet priced the cost of this bill.

Under this bill, the minimum benefit would go up every year so annual costs would increase every year. For these reasons, The Business Council, on behalf of its more than 3,200 members, opposes this bill.

Business Council Headquarters

111 Washington Avenue, Suite 400
Albany, New York 12210
518.465.7511 or 800.358.1202

Business Council Insurance Fund

12 Corporate Woods Blvd., Suite 17
Albany, New York 12211-2390
518.465.1571 or 800.692.5483

Council Finance & Membership

12 Corporate Woods Blvd., Suite 17
Albany, New York 12211-2390
518.465.7511 or 800.358.1202



© The Business Council of New York State, Inc.



BECOME A MEMBER