

SB 705 -1, -2 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 3/6, 3/27

WHAT THE MEASURE DOES:

The measure specifies for purposes of workers' compensation benefits, if total disability is temporary, the worker is entitled to receive 100 percent of the worker's average weekly wage from the prior 52 weeks, if the worker's average weekly wage from the prior 52 weeks is less than or equal to the average weekly. The measure makes technical amendments. Applies to temporary total disability workers' compensation benefits that become payable for periods that begin on or after January 1, 2026.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

- National Council on Compensation Insurance cost impact analysis
- Current process for calculating temporary total disability benefits
- Potential impact of measure
- Potential impact to premiums

EFFECT OF AMENDMENT:

-1 The amendment specifies that for purposes of workers' compensation benefits, if total disability is temporary, the worker is entitled to receive 100 percent of the worker's average weekly wage net of payroll deductions, if the worker's average weekly wage is less than or equal to the average weekly wage. Applies to temporary disability compensation claims filed on or after January 1, 2026.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

-2 Replaces the measure. The amendment specifies that for purposes of workers' compensation benefits, if total disability is temporary, the worker is entitled to receive compensation equal to 80 percent of wages that are equal to or less than the average weekly wage and 66-2/3 percent of wages that are greater than the average weekly wage, but not more than 133 percent of the average weekly wage or less than \$50 a week. The amendment makes technical amendments. Applies to claims filed on or after January 1, 2026.

FISCAL: Has minimal fiscal impact

REVENUE: No revenue impact

BACKGROUND:

Workers' compensation insurance pays for workers' medical treatment and lost wages on accepted claims when workers suffer work-related injuries or illnesses. Oregon employers that have one or more workers, must carry workers' compensation insurance or be self-insured. The Workers' Compensation Division (division) administers and regulates the laws and rules surrounding workers' compensation in Oregon. The division is a part of the Department of Consumer and Business Services. The Workers' Compensation Board is composed of five members and is charged with resolving workers' compensation disputes.

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Oregon workers' compensation law defines "average weekly wage" for purposes of temporary total disability as the average weekly wage of workers in covered employment in Oregon, as determined by the Oregon Employment Department (OED), for the last quarter of the calendar year preceding the fiscal year that compensation is paid and as computed by OED by May 15th of each year. As of May 16, 2024 the average weekly wage is \$1,441.48. This amount is in effect from July 1, 2024 through June 30, 2025.

Senate Bill 705 specifies for purposes of workers' compensation benefits, if total disability is temporary, the worker is entitled to receive 100 percent of the worker's average weekly wage from the prior 52 weeks, if the worker's average weekly wage from the prior 52 weeks is less than or equal to the average weekly.