



March 3, 2025

Subject: Opposition to SB 705

We are writing to express our opposition to Senate Bill 705, which proposes an increase in temporary total disability benefits for certain workers from 66-2/3% of their average weekly wage to 100%. While we understand and appreciate the intent behind this bill to support workers during their time of injury or illness, we have significant concerns regarding its potential negative impacts on both the workforce and workplace productivity.

SB 705 proposes that if a worker's average weekly wage from the prior 52 weeks is less than or equal to the average weekly wage, the worker would receive 100 percent of their average weekly wage for the duration of their disability. While well-intentioned, we believe this provision could inadvertently de-incentivize workers from returning to work in a timely manner, either in light duty or full capacity. The assurance of receiving full pay without the need to return to the workplace may result in prolonged absences, contributing to a lack of engagement, delayed recoveries, and overall decreased productivity.

Another concern with this bill is that workers' compensation benefits are not subject to taxation, meaning workers would effectively receive more money than their regular, taxed wages if the bill passes. This could create an unintended financial incentive for employees to remain off work longer, as they would benefit financially by staying on workers' compensation instead of returning to their job duties. In contrast, workers who continue working and earning a paycheck are subject to taxes, thus leading to a disparity that could undermine the goal of timely and productive workforce reintegration.

Furthermore, we are concerned that the bill could have unintended consequences that negatively impact both employers and employees. The primary goal of workers' compensation is to support employees during their recovery, while also ensuring that they are encouraged to return to work as soon as they are able, fostering a healthy and productive work environment. If SB 705 is enacted, it may result in employees being financially incentivized to remain on leave longer than necessary, thereby reducing overall workplace productivity and morale.

For these reasons, we strongly urge you to reconsider the implications of SB 705 and its potential long-term consequences on both workers and employers. We believe it is crucial to strike a balance between providing necessary support to injured workers while also encouraging their prompt return to the workplace.



Thank you for your attention to this important matter. We respectfully request that you oppose SB 705 in its current form.

Sincerely,

Bonnie Barasch
Human Resources Director
City of Medford