



Legislative Fiscal Office
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Bill Title: Relating to total disability.

Government Unit(s) Affected: Department of Administrative Services, Department of Consumer and Business Services

Summary of Fiscal Impact: Costs related to the measure are indeterminate at this time - see explanatory analysis.

Measure Description

The measure modifies the calculation for temporary and permanent disability benefit compensation. Under current law, workers who are unable to work due to a workplace injury, either due to a temporary or permanent disability, receive 66 2/3% of their wage, subject to a cap of 133% of the average weekly wage. At a minimum, the worker must receive at least 90% of their weekly wage or \$50 per week, whichever is less. The measure modifies the calculation, which increases the benefit compensation for both temporary and permanent disabilities resulting from a workplace injury. A worker would receive 75% of the portion of their wages that is equal to or less than 75% of their average weekly wage; this portion of the benefit may not be less than 33% of the worker's average weekly wage in effect on the day of the injury. For the portion of wages that exceed 75% of their average weekly wage, the worker would receive 65% of that amount, subject to a cap of 133% of their weekly wage in effect on the date of the injury.

Fiscal Analysis

The fiscal impact for the Department of Administrative Services (DAS) is indeterminate but forecasted to be \$250,000 nonlimited Other Funds in the 2025-27 biennium and \$1 million nonlimited Other Funds in the 2025-27 biennium. While actual costs will be dependent on the number of claimants, SAIF, who administers worker's benefit compensation benefits on behalf of DAS estimates these changes will likely result in approximately a \$1 million increase in claim costs per biennium. DAS manages the state's Insurance Fund, established in ORS 278.425, which is designed to provide insurance and self-insurance for state agencies. Participating state agencies pay risk charges into the fund based on their risk exposure and claim experience. An increase in benefits will be financed in part by state agencies from the revenue streams available in their budgets. DAS recovers risk charges as part of a statewide assessment to agencies. Typically, 55.6% of assessments received by DAS originated as General Fund payments, Lottery Funds 1.1%, Other Funds 33.4%, and Federal Funds 9.9%.

Department of Consumer and Business Services

The Department of Consumer and Business Services (DCBS) does not process workers' compensation claims; however, DCBS is responsible for regulating workers' compensation benefits and providing educational resources. While DCBS will need to update educational resources and internal systems to account for the change in the disability benefit calculation, these updates are anticipated to be absorbed within current resources.

Relevant Dates

The provisions in the measure apply to claims with a date of injury on or after January 1, 2027.