Local Government Mandate Statement Kentucky Legislative Research Commission 2021 Regular Session

Part I: Measure Information

Bill Request #: 1201					
Bill #: SB 85					
Document ID #: 2424					
Bill Subject/Title: AN ACT relating to worker's compensation for volunteer firemen and other emergency personnel.					
Sponsor: Senator Phillip Wheeler					
Unit of Government: X City X County X Urban-County Unified Local X Charter County X Consolidated Local X Government					
Office(s) Impacted: Volunteer Fire Department or Emergency Medical Services					
Requirement: X Mandatory Optional					
Effect on Powers & Duties: Modifies ExistingX Adds New Eliminates Existing					

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

Currently, workman compensation benefits for volunteer firemen, police, and emergency management agency members or trainees are based on the average weekly wage in their regular employment. SB 85 changes that to the average weekly wage or fifty percent (50%) of the state average weekly wage, whichever is greater.

Background information:

In1972, the General Assembly amended the workers' compensation law and required governmental units to provide worker's compensation insurance for their employees (KRS 342.630). Any local government having one or more employees is subject to the Kentucky Workers' Compensation law and is liable to pay compensation to any employee for any work-related injury, occupational disease, or death caused to the employee. KRS 342.640 states in part "Every person who is a member of a volunteer ambulance service, fire, or police department shall be deemed, for the purposes of this

chapter, to be in the employment of the political subdivision of the state where the department is organized."

A local government must establish a method for paying worker's compensation claims. It may purchase insurance from a company authorized to sell workers' compensation insurance. It may self-insure, in which case it must furnish proof to the state that it has the financial ability to directly pay claims under the law. Upon furnishing adequate proof and acceptable security, a local government receives a certificate of self-insurance. A local government may also join other local governments and form a mutual insurance association or reciprocal of inter-insurance exchanges.

The fiscal impact to local governments is indeterminable because as in other types of insurance it is based on the number of employees and salaries, claim history, and possibly any programs they have set to aid in lessening employee injury and thus, cost. For local governments that purchase insurance from a company or a mutual insurance association, the cost is based on a premium quote. For local governments that self-insure, they must furnish adequate proof and acceptable security they will be able to pay claims and must receive a certificate of self-insurance from the state. Whereas workers' compensation benefits gives employees a percentage of their average weekly wage, any additional cost is dependent on whether current salaries are less, equal, or greater than 50% of the state average weekly wage. Below is Kentucky wage information for the careers included in the proposal. Workers' Compensation payments for each local government will be based on how they compare to the last column reflecting the 50% weekly estimate.

Profession	Annual Mean Salary		Weekly Estimate	50% of Weekly Estimate
Firefighter	\$	34,030.00	\$ 654.42	\$ 327.21
Police	\$	46,720.00	\$ 898.46	\$ 449.23
Emergency	\$	49,740.00	\$ 956.54	\$ 478.27

Data based on U.S. Bureau of Labor Statistics
May 2019 State Occupational Employment and Wage estimates For Kentucky.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II refers to the bill as introduced.

Data Source(s): LRC Staff, Kentucky Labor Cabinet, Kentucky Department of Insurance

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 1/13/21

^{*}Only job listing under Emergency Management was for Director. We might assume the wages for members and trainees will be lower.