

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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Senate Bill 118

Sponsor: Senator Frederick Dillingham

Committee: Human Resources and Senior Citizens

Date Completed: 2-13-89

SUMMARY OF SENATE BILL 118 as introduced 2-8-89:

The bill would amend the Worker's Disability Compensation Act to:

- Permit an injured professional athlete to receive weekly wage loss benefits that would have to be reduced by other income attributable to his or her status as a professional athlete or received under a contract with the employer.
- Specify that a professional athlete could receive benefits under the Act for medical care or medical rehabilitation and vocational services, that were not provided by the employer.
- Limit to 260 weeks the length of time a professional athlete could receive weekly wage loss benefits.
- Provide that a professional athlete could not receive benefits longer than five years after ending employment as a professional athlete.

Under current law, a person injured in the course of employment as a professional athlete can receive workers' compensation benefits if his or her average weekly wages in all employment at the time of applying for benefits and thereafter are less than 200% of the State average weekly wage. The bill provides, instead, that a professional athlete could receive weekly wage loss benefits under the Act, but the benefits would have to be reduced by: 1) the after-tax amount of the payments received or being received under a self-insurance plan, a wage continuation plan, an annuity plan, an income continuation plan, a disability insurance policy, or any other source of income provided or funded by the same employer from whom weekly wage loss benefits would be received and pursuant to the terms of the contract between the athlete and his or her employer, and 2) any other income received by the athlete that is directly attributable to his or her status as a professional athlete.

The bill would define "professional athlete" as a person who is paid wages for participation in a sports activity for an employer located in this State.

MCL 418.360

Legislative Analyst: S. Margules

### FISCAL IMPACT

If workers' compensation benefits were denied to professional athletes who have disability clauses in their contracts, the annual premiums paid by the employing organization would consequently be reduced to reflect the drop in anticipated compensation and medical losses. There should be no fiscal impact on the State of Michigan and there should not be any fiscal implications for local units of government unless they purchase a team franchise or otherwise organize and manage a professional sports team.

Fiscal Analyst: K. Lindquist

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.