



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

VOLUNTEERS' WORKER'S COMP.

**Senate Bill 656 (Substitute H-2)
First Analysis (3-3-94)**

**Sponsor: Senator Dave Honigman
Senate Committee: Labor
House Committee: Labor**

THE APPARENT PROBLEM:

Under the Worker's Disability Compensation Act, members of a volunteer fire department or a volunteer ambulance service of a county, city, village, or township are considered to be employees of that local government for worker's compensation purposes, and are entitled to benefits under the act when injured in the performance of their volunteer duties. The act also states that a person employed by a contractor who has contracted with a local government is not considered an employee of the local government for worker's compensation purposes (but rather, is an employee of the contractor and is covered under the contractor's worker's compensation policy). Recently, at least two nonprofit organizations that contract with local governments to provide volunteer fire fighting and ambulance service have been notified by their worker's compensation carrier, the Accident Fund of Michigan, that their volunteers are not covered under their worker's compensation policies. This is because they are not considered employees of the local government because of the contractual relationship, and they are not considered employees of the contractor because of their volunteer status. It appears that this particular group of volunteers has no protection under the act.

In another matter, the act makes no provision for an instance in which mistakes or errors are discovered by parties to a worker's compensation dispute after a case has gone before the Worker's Compensation Appellate Commission. Technically, the parties have to either re-petition or go back before the appellate commission to make the modifications or correct the errors. According to testimony before the Senate Labor Committee, the commission has at times allowed the parties to simply stipulate to the necessary changes; however, there is no authorization in statute for that procedure.

THE CONTENT OF THE BILL:

The bill would amend the Workers' Disability Compensation Act (MCL 418.161 et al.) to specifically provide that members of a volunteer fire department or ambulance service that contracts with a local government would be entitled to all the benefits of the act when injured in the performance of their volunteer duties.

Further, the bill would provide that if the parties to a worker's compensation dispute stipulated within 30 days after a decision was rendered by the appellate commission to modify or correct errors in the decision, the appellate commission would have to modify or correct the errors in accordance with the stipulations.

HOUSE COMMITTEE ACTION:

As passed by the Senate, the bill proposed several substantive changes to the worker's compensation hearings and appeals processes. The House Labor Committee adopted Substitute H-2, which eliminated all of these provisions except for one regarding the correction of errors in an appellate commission decision, and added language regarding the treatment of volunteer firefighters and ambulance personnel under the act.

FISCAL IMPLICATIONS:

According to the Bureau of Worker's Disability Compensation in the Department of Labor, the bill has no fiscal implications for the state. (3-2-94)

ARGUMENTS:

For:

Under the Worker's Disability Compensation Act, members of a volunteer fire department or volunteer ambulance service directly sponsored by a local government are considered to be employees

Senate Bill 656 (3-3-94)

of that local government for worker's compensation purposes, and are entitled to benefits under the act when injured in the performance of their volunteer duties. But, the act does not specifically provide for the same treatment for volunteers working with a volunteer fire department or ambulance service that contracts with a local government to provide these services (presumably, a nonprofit organization that carries its own worker's compensation coverage). In fact, the act contains another provision that states that employees of contractors are to be covered under the contractor's policy, not the local governments. Because people in this group of volunteers are neither employees of the contracting organization, nor are they specifically treated as employees of the local government under the act (as are members of volunteer fire departments and ambulance services directly sponsored by local governments), they have no protection under the worker's compensation system. The bill would make specific provision for this group of volunteers, placing them on equal footing with other volunteer emergency personnel, to whom the legislature has given specific protection since at least the 1969 recodification of the act.

POSITIONS:

The Michigan Association of Ambulance Services supports the bill. (3-1-94)

The Michigan Townships Association supports the bill. (3-1-94)

The Bureau of Worker's Disability Compensation, in the Department of Labor, supports the bill. (3-2-94)