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NO WORKER'S COMP REDUCTION FOR CERTAIN WORKERS

House Bill 4681

Sponsor: Rep. Raymond Basham

**Committee: Employment Relations,
Training and Safety**

Complete to 9-15-00

A SUMMARY OF HOUSE BILL 4681 AS INTRODUCED 5-13-99

The Worker's Disability Compensation Act of 1969 requires a reduction in weekly payments when workers reach the age of 65. For each year between a worker's 65th and 75th birthdays, his or her weekly payments are reduced by five percent each year (so that by the worker's 75th birthday, the weekly payments will have been reduced by 50 percent). After a worker's 75th birthday, there is to be no further reduction in the weekly payment for the rest of his or her life. In any case, the weekly benefit paid cannot be less than 50 percent of the weekly benefit paid or payable at age 65, nor can weekly payment be reduced below the minimum weekly benefit under the act.

The bill would amend the act to prohibit employers (or the carriers for employers) from reducing an employee's weekly payments if the reduction would be contrary to equity and good conscience and cause extreme financial hardship to the employee. The bill would define "extreme financial hardship" to mean that the reduction in benefits, taken together with the employee's other current sources of income, would cause the employee's income to fall below the federal poverty guidelines published by the United States Department of Health and Human Services for the year in which the weekly payments were received. An employee could submit any dispute or controversy concerning the weekly payments entitled under this section of the act to the Bureau of Worker's Disability Compensation as provided in the act.

MCL 418.357

Analyst: S. Ekstrom

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