



Senate Fiscal Agency
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Senate Bill 900 (Substitute S-1 as reported)
Sponsor: Senator Jack Brandenburg
Committee: Reforms, Restructuring and Reinventing

CONTENT

The bill would amend the Worker's Disability Compensation Act to enable the Director of the Worker's Compensation Agency to authorize claims for reimbursement from the Compensation Supplement Fund to be filed for periods of time different from those prescribed in the Act.

The Act allows a supplement to worker's compensation for certain employees, and dependents of employees whose personal injury resulted in death, if the benefits are based on a personal injury that occurred between September 1, 1965, and December 31, 1979.

The supplemental payments must be paid by an insurer or self-insurer, which may take a credit under the Insurance Code, the former Single Business Tax Act (SBT), or the Michigan Business Tax Act (MBT), as applicable. Otherwise, the insurer or self-insurer is entitled to reimbursement for the payments from the Compensation Supplement Fund.

An application for a claim for reimbursement must be filed with the Director of the Worker's Compensation Agency within three months after the date in which the right to reimbursement first accrues. A reimbursement may not be allowed for a period that is more than one year before the date the application is filed. Under the bill, both of these provisions would apply except as otherwise authorized by the Director.

MCL 418.352 & 418.391

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on the operations of the Department of Licensing and Regulatory Affairs (LARA) and no fiscal impact on local units of government. The bill would allow the Director of the Worker's Compensation Agency (within LARA) to make reimbursements from the Compensation Supplement Fund for supplemental payments that occurred more than one year before the application for reimbursement was made. This would allow the Director to authorize reimbursements to several companies that are paying supplemental payments eligible for reimbursement from the Fund. These companies had been receiving reimbursement via credits under the former SBT and the MBT; however, the Corporate Income Tax enacted in 2011 does not have allow such a credit to be claimed. An additional \$1.0 million was included in the Senate-passed fiscal year 2014-15 LARA budget so eligible employers that are no longer able to claim the SBT or MBT credits could receive reimbursement directly from the Compensation Supplement Fund.

Date Completed: 5-8-14

Fiscal Analyst: Josh Sefton