

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Don Dahl at 9:00 A.M. on February 8, 2006 in Room 241-N of the Capitol.

All members were present except:

Bob Grant- excused
Patricia Kilpatrick- unexcused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department
Norm Furse, Office of Revisor of Statutes
Rena Jefferies, Office of Revisor of Statutes
June Evans, Committee Secretary

Conferees appearing before the committee:

Representative Dale Swenson
Jim DeHoff, Executive Secretary, Kansas AFL-CIO
Jeff Glendening, Kansas Chamber of Commerce

Others attending:

See attached list.

The Chairman welcomed Carol S. Cast, Coordinator, Employer Services Division of Workers Compensation, and Richard Thomas, Administrator, Public Resource Section, Kansas Department of Labor, Division of Workers Compensation, to the committee.

Carol S. Cast, Coordinator, Employer Services Division of Workers Compensation, gave an overview of the Division. Employees must be informed on what to do if they are injured on the job. Notice must be posted in one or more conspicuous places. The worker notifies employer within 10 days; 75 days for just cause. The accident report must be filed with the Division within 28 days. The employee files a written claim form with employer and the insurance provider pays the benefits. After an employee sustains injury, the employer is required to furnish all necessary medical treatment and has the right to designate the treating physician. The medical treatment to cure and relieve the effects of the injury has no maximum dollars. Medical mileage is 40 cents a mile if more than 5 miles round trip. The maximum benefit of work disability is \$100,000. Death benefit maximum is \$250,000 to a spouse and/or dependent children. If there is no spouse or dependent children the heirs receive \$25,000. If there are no dependents or heirs, the insurance company pays \$18,500 to the Workers Compensation Fund (Attachment 1).

Richard Thomas, Administrator, Public Resource Section, Kansas Department of Labor, Division of Workers Compensation, presented a brief history of Kansas Work Disability. Work disability was first established by the 1974 legislature. In 1987 some concerns of insurance companies, who were required to pay for vocational rehabilitation services and received no credit for these services, were addressed. In 1993 a new work disability definition was a part of the revisions to the Workers Compensation Act made by the Legislature (Attachment 2).

The Chairman opened the hearing on **HB 2614 - Employment Security Law, removing the pension offset to benefits.**

Staff gave a briefing on **HB 2614** which removes paragraph (n) which deletes offset to benefits when receiving some pensions.

Representative Dale Swenson, testified as a proponent to **HB 2614** which repeals the pension offset in unemployment insurance. Currently, this offset reduces a person's unemployment insurance benefits by the amount of pension or retirement benefits that the person can receive during the base period. This bill allows a claimant to receive full weekly benefits regardless of any pensions or retirement pay from a former employer. This is consistent with legislation passed in 2003 that repealed a similar offset concerning social security. According to the Director of the budget, the increased benefits would not create any noticeable effect on employers' U.I. rates, since it would be less than 0.6 percent of the balance of the fund (Attachment 3).

CONTINUATION SHEET

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Jim DeHoff, Executive Secretary, Kansas AFL-CIO, testified as a proponent to **HB 2614**. Current employment security law reduces the amount of unemployment insurance benefits that a person can receive by the amount of pension or retirement benefits that are paid during the claimants base period. **HB 2614** would allow unemployment insurance benefits to be paid for a period of 26 weeks directly after the effective date of retirement. A recent fiscal note by the State Director of Budget, projects estimated expenditures of 1.5 million to 2 million (Attachment 4).

Jeff Glendenning, Vice President of Political Affairs, The Kansas Chamber, testified as an opponent to **HB 2614**. The Kansas Employment Security Trust Fund was created by this body to mitigate financial loss of the individual who lost their job at no fault of their own. Also, the displaced worker must be able to work and must be seeking new employment to receive unemployment benefits. A retiree voluntarily leaves their place of employment and no longer seeks to be employed. Because this measure is not conducive with a business environment that seeks to grow jobs, the Chamber does not support **HB 2614** (Attachment 5).

During discussion it was asked if the Chamber supported the legislation in 2003 and how many employers are currently in Kansas. The Chamber will provide that information.

The Chairman closed the hearing on **HB 2614**.

The meeting adjourned at 10:00 a.m. The next meeting will be February 9, 2006.