

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
SENATE  
110TH LEGISLATURE  
FIRST REGULAR SESSION

(Filing No. S-340)

SENATE AMENDMENT" A" to S.P. 281, L.D. 789, Bill, "AN ACT to Place a Maximum Limit on the Inflation Adjustment under the Workers' Compensation Act."

Amend the Bill by striking out everything after the enacting clause and inserting in its place the following:

'Sec. 1. 39 MRSA §55-A is enacted to read:

§55-A. Limitations on benefit adjustments

1. Waiting period. No annual adjustments of an injured employee's compensation for a particular injury may be made under sections 54 and 55 until the 4th consecutive July 1st following the first payment of compensation for that injury.

2. Maximum adjustment. Except as provided in this subsection, once an injured employee becomes eligible for benefit adjustments under this section, the maximum annual adjustment required under sections 54 and 55 shall be 5%. Where the incapacity of the injured employee exceeds 50% for more than 3 ~~years~~ years, the maximum annual adjustment shall be 7%. Any year in the waiting period during which the incapacity of the employee exceeded 50% shall be included in determining whether the 7% maximum applies. The 7% maximum shall continue to apply for as long as the incapacity of the employee exceeds 50%.

Sec. 2. Transition provision. In the case of compensation which is presently being paid to any individual and which has already been adjusted prior to the effective date of this Act, no further adjustment of compensation shall be made until the 4th consecutive July 1st following the first payment of compensation to that individual. Thereafter, the 5% or 7% maximum shall apply, whichever is appropriate.

Statement of Fact

Under present law, an employee is entitled to an adjustment of benefits on July 1st of each year to reflect increases in the average weekly wage.

This amendment creates a waiting period under which adjustments would not be required for an employee until the 4th consecutive July 1st following the first payment of benefits to that employee. In other words, no individual would be eligible for adjustment until at least 3 years after the first payment. This will not only represent considerable savings to the system but will also restore work incentives for those who are disabled on a short-term basis.

After the waiting period, the amendment provides for a 5% cap on adjustments for all but seriously disabled employees. Employees with more than a 50% incapacity would be eligible for adjustments up to 7%.

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Neither the waiting period nor the caps on adjustments apply to compensation payable to dependents where the injury results in the employee's death. In those cases, the dependents will continue to receive immediate and unlimited adjustments.



(Sen. C. Sewall)

NAME:

COUNTY: Lincoln

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