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STATE OF MAINE
WORKERS' COMPENSATION BOARD
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July 31, 2025

Senator Michael Tipping, Chair
Representative Amy Roeder, Chair
Joint Standing Committee on Labor
100 State House Station
Augusta, ME 04333-0100

Re: Resolves 2023, c. 139, July, 2025 Update

Resolves 2023, c. 139 (the "Resolve") directs the Workers' Compensation Board (the "Board") to consider "how [lost wage benefits compare] to the current cost of living as determined by the United States Department of Labor, Bureau of Labor Statistics CPI-U for the New England Division; the cost of updating the annual adjustment provision in Title 39-A, section 212; and the cost of implementing a cost-of-living adjustment provision in sections 213 and 215."

In furtherance of this directive, the Board asked the National Council on Compensation Insurance ("NCCI") to provide cost estimates for different scenarios. Specifically, NCCI provided a preliminary cost impact analysis¹ of the following four scenarios:

- 1) Extend current [cost of living adjustment] COLA statutes to include claims receiving 100% benefits under § 213 at 5 years;
- 2) Add COLA to fatal claims after 5 years;
- 3) Change the basis for the magnitude of the COLA from the State Average Weekly Wage (SAWW) to the Consumer Price Index for All Urban Consumers (CPI-U); and,
- 4) Reduce the COLA eligibility from 5 years to 3 years.

The estimated overall cost impact for each scenario is:

- 1) Negligible increase;²
- 2) Negligible increase;
- 3) -0.3%; and,
- 4) +0.5%.

¹ NCCI notes that its "analysis is based on an informal proposal, not on formal statutory language. Hence this analysis is considered preliminary. If legislation were introduced, NCCI would perform an analysis based on the actual bill language and the impacts stated in this analysis may change accordingly.

² NCCI defines negligible "to be an impact on overall system costs of less than +0.1%."

The next step for the Board will be to meet with stakeholders to discuss the work done by the Board to date along with NCCI's preliminary cost impact analysis.

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