



House Bill 1267

Workers' Compensation – Members of Volunteer Company – Computation of Average Weekly Wage

MACo Position: **OPPOSE**

To: Economic Matters Committee

Date: March 3, 2017

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **OPPOSES** HB 1267. The bill would contravene basic workers' compensation principles, increase county costs, and in some circumstances provide a greater benefit to someone who has never worked over someone who has worked.

HB 1267 would alter the wages used to calculate the average weekly wage for a covered employee who is a member of a volunteer fire and rescue company, setting the minimum calculation amount at 2/3 of the State average weekly wage. The State average weekly wage is determined by the Department of Labor, Licensing, and Regulation annually and for 2017 the wage is \$1,052.

Maryland's system of workers' compensation is based on providing compensation for the loss of wages and all benefit determinations factor in an individual's salary. The current system acknowledges that volunteer firefighters may not be working another job while serving as a volunteer and allows for past work history to be used if the volunteer is not currently working. This is both fair and equitable. However, to simply "create" a salary where one never existed undermines the basic foundation of our workers' compensation system.

Furthermore, the bill's provisions would create systemic inequities and in certain instances potentially incentivize a volunteer not to work other jobs. For example, a volunteer firefighter who is injured on the job and who works part time as a fast food restaurant worker will have his or her workers' compensation based on their restaurant worker salary. However, another volunteer who is injured in the same manner but has never worked will use the 2/3 State average weekly wage and likely end up with a higher workers' compensation payout.

The same inequity can be seen when comparing a professional firefighter first-year cadet with an \$800 dollar weekly salary against a volunteer firefighter with no work history (who would be assumed a \$1,052 weekly salary). The volunteer's benefit will end up being higher than the professional firefighter. This is neither fair nor equitable.

HB 1267 proposes a significant change that would fundamentally alter our workers' compensation system, increase county costs, and create inequitable situations where someone with no work history would receive a higher benefit than someone who has been employed. Accordingly, MACo urges the Committee to issue an **UNFAVORABLE** report for HB 1267.