



HOUSE BILL 97: 2015 Appropriations Act, Sec. 30.18: State Workers' Compensation Reform

2015-2016 General Assembly

Committee:

Introduced by:

Analysis of: Sec. 30.18 of S.L. 2015-241

Date:

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SUMMARY: *Sec. 30.18 rewrites Article 63 of Chapter 143 of the General Statutes to provide for centralized coordination of the workplace safety, health, and workers' compensation benefits programs, for State agencies, The University of North Carolina, and the Office of Administrative Hearings. Further, this section amends G.S. 143-166.14 to provide that a State employee remains eligible for salary payments, notwithstanding partial or total incapacity, if the employee's injury results or arises from an episode of violence or resistance, or due to a specialized hazard that occurs while the employee is performing official duties. After two years, the employee becomes subject to the provisions of the Workers' Compensation Act. The time period for which the employee receives salary continuation under G.S. 143-166.14 will be deducted from the person's total eligibility for workers' compensation benefits under Chapter 97 of the General Statutes. "Salary" is re-defined as the total base pay of the person reflected on the person's salary statement, not including overtime pay, shift differential pay, holiday pay, or other additional earnings to which the person may have been eligible prior to such incapacity.*

This section became effective July 1, 2015.

PRIOR LAW: Under former G.S. 143-581, each State agency was responsible for administration of its own workplace safety, health, and workers' compensation programs and the costs of workers' compensation benefits were paid from funds available in that agency. The previous role of the Office of State Human Resources (OSHR) was to provide only consultative and technical assistance, with the State Human Resources Commission tasked with reporting those OSHR activities, annually by September 1, to the Joint Legislative Oversight Commission on Governmental Operations.

The only State employees eligible for salary continuation were those persons who sustained injuries proximately caused by the heightened risk and special hazards related to the violent nature of the employee's official duties were. There was not a definition of what payments were to be included in the salary continuation payments.

BILL ANALYSIS: Sec. 30.18(a) establishes a statewide reserve for costs associated with State employee workers' compensation claims.

Sec. 30.18(b) mandates consolidated administration of State workplace safety, health, and workers' compensation programs under the OSHR under G.S. 143-581, with OSHR granted the authority to:

- Adopt policies governing the administration of the workers' compensation program and monitor compliance with Chapter 97 of the General Statutes, and
- Establish guidelines for the delegation of certain administrative functions as necessary for the administration of the workers' compensation program to State agencies.

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Sec. 30.18(c) states that a State employee will remain eligible for salary payments, notwithstanding partial or total incapacity, if the employee's injury results or arises from an episode of violence or resistance, or due to a specialized hazard that occurs while the employee is performing official duties. After two years of any such incapacity, the employee becomes subject to the provisions of the Workers' Compensation Act, with the time period for which the employee may receive benefits under G.S. 97-29 (e.g., total incapacity) and G.S. 97-30 (e.g., partial incapacity) to be deducted from the person's total eligibility for benefits.

"Salary" is re-defined as the total base pay of the person reflected on the person's salary statement, not including overtime pay, shift differential pay, holiday pay, or other additional earnings to which the person may have been eligible prior to such incapacity.

Sec. 30.18(d) provides that the Office of State Human Resources shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the implementation of these changes by February 1, 2016.

Sec. 30.18.(e) authorizes the Department of Administration to reclassify three vacant positions within the Department and assign the positions to the Office of State Human Resources to staff the Office's Workers' Compensation program for implementation of the provisions of Article 63 of Chapter 143 of the General Statutes as amended by this section.

EFFECTIVE DATE: Sec. 30.18 became effective July 1, 2015.