

85 LSO 0732

**HOUSE BILL 2397**

AN ACT to amend W.S. 27-12-202(a) and (b), 27-12-203, 27-12-204 and 27-12-705 relating to the Wyoming Worker's Compensation Act; increasing employer contributions and the minimum employer account balance; increasing requirements for exempt employers; modifying penalties for overdrawn accounts; modifying the reinsurance account balance for determination of contribution rates; restricting expenditures from the reinsurance account and increasing the account balance for fund transfers; and providing for an effective date.

Introduced by: Grant L. Lumber

[illegible]

**CONTINUED ON BACK**

House of Intro				Second House			
_____	To Com. No.	_____	_____	_____	To Com No.	_____	_____
_____	Stand Report	Do _____	Amd _____	Not _____	_____	Stand Report	Do _____
_____	Com Whole	Do _____	Amd _____	Not _____	_____	Com Whole	Do _____
_____	2nd Reading	Amd _____			_____	2nd Reading	Amd _____
_____	3rd Reading	Amd _____	Pass _____	Fail _____	_____	3rd Reading	Amd _____
							Pass _____
							Fail _____

## INTRODUCED

1985

STATE OF WYOMING

85LSO-0732.01

HOUSE BILL NO. 0397

Worker's compensation - employer payments.

Sponsored by: Representative(s) SANDERS

### A BILL

for

1 AN ACT to amend W.S. 27-12-202(a) and (b), 27-12-203,  
 2 27-12-204 and 27-12-705 relating to the Wyoming Worker's  
 3 Compensation Act; increasing employer contributions and  
 4 the minimum employer account balance; increasing require-  
 5 ments for exempt employers; modifying penalties for over-  
 6 drawn accounts; modifying the reinsurance account balance  
 7 for determination of contribution rates; restricting  
 8 expenditures from the reinsurance account and increasing  
 9 the account balance for fund transfers; and providing for  
 10 an effective date.

11 Be It Enacted by the Legislature of the State of Wyoming:

1           Section 1. W.S. 27-12-202(a) and (b), 27-12-203,  
2           27-12-204 and 27-12-705 are amended to read:

3           27-12-202. Employer payments; initially, after 12  
4           months, after 24 months; quarterly reporting.

5           (a) ~~Every~~ ANY employer ~~who--commences~~ COMMENCING  
6           employment in any extrahazardous ~~occupation--who--has~~  
7           EMPLOYMENT AND not previously ~~made--any~~ MAKING payments  
8           under ~~Wyoming--worker's--compensation-laws~~ THIS ACT shall  
9           pay ten dollars (\$10.00) initially and five AND SEVENTY-  
10          FIVE HUNDREDTHS percent ~~(5%)~~ (5.75%) of the money-earned  
11          ~~by-each~~ GROSS MONTHLY EARNINGS of ~~his--employees~~ EACH  
12          EMPLOYEE engaged in extrahazardous employment ~~during~~ FOR  
13          each calendar month ~~for~~ OF the first twelve (12) calendar  
14          months of employment, less payments required by W.S.  
15          27-12-204(a). Any month during which no payment is due and  
16          paid shall not be counted in arriving at the first twelve  
17          (12) months of employment.

18          (b) Except as otherwise provided, AND after the  
19          first twelve (12) calendar months of employment PAYMENT  
20          UNDER THIS ACT, the employer shall pay ~~three-fourths~~ ONE  
21          AND FIVE-TENTHS percent ~~(3/4%)~~ (1.5%) of the GROSS monthly  
22          earnings of ~~his--employees~~ EACH EMPLOYEE engaged in

1     extrahazardous employment until his account equals ~~one~~ TWO  
2     percent ~~(1%)~~ (2%) of his reportable monthly payroll multi-  
3     plied by twelve (12); or ~~in-the-event-of-quarterly~~ IF  
4     reporting QUARTERLY, by four (4), or ~~three~~ SIX thousand  
5     dollars ~~(\$3,000.00)~~ (\$6,000.00), whichever is greater.

6             27-12-203. Employer payments; overdrafts. Every ANY  
7     employer whose account is overdrawn on the last day of the  
8     month preceding the filing of payroll reports; whether  
9     current or delinquent, shall PAY AT A monthly ~~pay-four-and~~  
10    ~~one-half~~ RATE OF SIX AND SEVENTY-FIVE HUNDREDTHS percent  
11    ~~(4-1/2%)~~ (6.75%) of ~~his-reportable~~ THE TOTAL GROSS MONTHLY  
12    payroll less payments required by W.S. 27-323(a)  
13    27-12-204(a). The increase in payment shall be applied to  
14    the overdrawn account AND SHALL REMAIN IN EFFECT UNTIL THE  
15    OVERDRAWN AMOUNT IS PAID IN FULL. A statement shall be  
16    forwarded to each employer ~~when~~ AT THE TIME his account  
17    ~~reflects--an--overdraft~~ IS OVERDRAWN and FOR each  
18    SUBSEQUENT month until the overdraft is cleared. Any  
19    employer whose account is overdrawn may pay ~~any-additional~~  
20    sum up to the full amount of the overdraft and ~~receive--a~~  
21    ~~discount--of--five-percent-(5%)--of-the-amount-of-the-addi-~~  
22    ~~tional-payment--All-of~~ the payments--~~se--made--are~~ AMOUNT  
23    PAID SHALL BE considered in determining the employer's  
24    ~~credit-balance-or-the-amount-of-the--employer's--overdraft~~

1 ~~in-the-employer's-account~~ MONTHLY PAYMENT.

2 27-12-204. Reinsurance payment computation; amount  
3 subject to fund balance; exemption procedure.

4 (a) In addition to any other payment required by  
5 this act, each nonexempt employer shall pay ~~one~~ SEVENTY-  
6 FIVE HUNDREDTHS percent ~~(1%)~~ (.75%) of ~~his~~ THE reportable  
7 ~~payroll~~ GROSS EARNING OF EMPLOYEES to the director for at  
8 least twenty-four (24) months.

9 (b) ~~After-payment-under-subsection-(a)-of-this--sec-~~  
10 ~~tion,--each--nonexempt-employer-shall-pay-one-percent-(1%)~~  
11 ~~of-his-reportable-payroll-until-the-unexpended-balance--of~~  
12 ~~the---reinsurance---fund---exceeds---two--million--dollars~~  
13 ~~(\$2,000,000.00),--at-which-time-the-employer-is-exempt-from~~  
14 ~~this-payment.-If-the-balance-of-the--reinsurance--fund--is~~  
15 ~~reduced-to-six-hundred-thousand-dollars-(\$600,000.00),--the~~  
16 ~~director--shall--reassess--each-nonexempt-employer-the-one~~  
17 ~~percent-(1%)-payment.~~ IF THE TOTAL UNALLOCATED FUNDS AS A  
18 RESULT OF PAYMENTS REQUIRED BY THIS ACT ARE EQUAL TO OR  
19 LESS THAN TWENTY-TWO MILLION DOLLARS (\$22,000,000.00), THE  
20 STATE TREASURER SHALL INCREASE THE REINSURANCE PAYMENT  
21 UNDER SUBSECTION (a) OF THIS SECTION FROM SEVENTY-FIVE  
22 HUNDREDTHS PERCENT (.75%) TO ONE PERCENT (1.0%). IF THE  
23 TOTAL UNALLOCATED FUNDS ARE EQUAL TO OR LESS THAN FIFTEEN

1     MILLION DOLLARS (\$15,000,000.00), THE STATE TREASURER  
2     SHALL INCREASE THE REINSURANCE PAYMENT TO ONE AND TWENTY-  
3     FIVE HUNDREDTHS PERCENT (1.25%). THE INCREASE UNDER THIS  
4     SUBSECTION SHALL BE EFFECTIVE UNTIL THE TOTAL UNALLOCATED  
5     FUNDS AS A RESULT OF PAYMENTS UNDER THIS ACT ARE EQUAL TO  
6     THE AMOUNT OF TOTAL CLAIMS PAID DURING THE PREVIOUS FISCAL  
7     YEAR, AT WHICH TIME THE STATE TREASURER SHALL REDUCE THE  
8     REINSURANCE PAYMENT UNDER SUBSECTION (a) OF THIS SECTION  
9     TO FIVE-TENTHS PERCENT (.5%).

10           (c) Any resident employer whose annual reported  
11     ~~payroll~~ GROSS EARNINGS OF EMPLOYEES for the preceding cal-  
12     endar year was at least one ~~hundred-thousand~~ MILLION dol-  
13     lars ~~(\$100,000.00)~~ (\$1,000,000.00) and whose HIS account  
14     is not overdrawn, may file an election with the director  
15     ~~to-be-exempted~~ FOR EXEMPTION from ~~the-provisions--of~~ this  
16     section. 7 THE EXEMPTION IS effective ~~when-approved~~ UPON  
17     APPROVAL by the director---~~The--exemption~~ AND may be  
18     revoked by the director at any time after notice to the  
19     employer and for good cause. Any resident employer ~~who~~  
20     ~~has-been-exempted~~ EXEMPT from this section may at any time  
21     ~~thereafter~~ AFTER EXEMPTION file an election with the  
22     director ~~to-become-subject-to-the-provisions-of~~ FOR COVER-  
23     AGE UNDER this section:-~~The-election-is~~ effective on the  
24     first day of the succeeding month, and AN ELECTION FOR

1 COVERAGE is effective for at least twenty-four (24) months  
2 before AND the employer may again NOT file an election to  
3 be--exempted FOR EXEMPTION from this section UNTIL THE  
4 EXPIRATION OF THIS TWENTY-FOUR (24) MONTH PERIOD.

5 27-12-705. Expenditures from reinsurance account;  
6 transfers between general account and reinsurance account.

7 (a) ~~The following shall be paid from the reinsurance~~  
8 ~~account:--(i)~~ NINETY PERCENT (90%) OF any charges or pay-  
9 ments pursuant to W.S. ~~27-380(a)~~ 27-12-704(a) in excess  
10 of three SIX thousand dollars ~~(\$3,000.00)~~ from a single  
11 ~~accident or incident regardless of the number of injured~~  
12 ~~employees,--if--the employer is nonexempt and contributing~~  
13 ~~as provided by W.S. 27-323~~ (\$6,000.00) SHALL BE PAID FROM  
14 THE REINSURANCE ACCOUNT. THE REMAINING TEN PERCENT (10%)  
15 SHALL BE PAID AS PROVIDED BY W.S. 27-12-704(a).

16 (b) If the balance in the reinsurance account is  
17 less than ~~one hundred fifty thousand~~ TWO MILLION dollars  
18 ~~(\$150,000.00)~~ (\$2,000,000.00), the state treasurer may  
19 transfer any amount of money from the general account to  
20 the reinsurance account, ~~not to exceed aggregate transfers~~  
21 ~~of two hundred fifty thousand dollars (\$250,000.00),--which~~  
22 he finds necessary to provide the reinsurance account with  
23 an adequate operating balance. ~~Two percent--(2%)--interest~~

1     ~~shall--be--paid--to--the--general--account--each--year--on--the~~  
2     ~~unpaid--balance--of--the~~ A transfer UNDER THIS SUBSECTION  
3     SHALL NOT EXCEED AN AGGREGATE AMOUNT OF ONE MILLION  
4     DOLLARS (\$1,000,000.00). If the reinsurance account  
5     exceeds ~~two--hundred--fifty--thousand~~ FIVE MILLION dollars  
6     ~~(\$250,000.00)~~ (\$5,000,000.00) at the end of any calendar  
7     year, the excess shall be transferred into the general  
8     account. ~~to--reduce--the--unpaid--balance--of--the--loan.~~

9             Section 2. This act is effective July 1, 1985.

10   (END)



FISCAL NOTE

<u>Anticipated REVENUE to:</u>	<u>Fiscal Year 1986</u>	<u>Fiscal Year 1987</u>
Trust and Agency Fund	\$21,600,000.00	\$10,400,000.00
TOTAL ESTIMATED REVENUE	\$21,600,000.00	\$10,400,000.00

<u>Anticipated COST to:</u>	<u>Fiscal Year 19</u>	<u>Fiscal Year 19</u>
_____	_____	_____
_____	_____	_____
TOTAL ESTIMATED COST	_____	_____

1. According to a spokesman for Workers' Compensation, this proposal will result in a net increase of \$21,600,000 into the Workers' Compensation funds during FY 86. Subsequent to FY 86, the amount of net increase into the Workers' Compensation funds would be approximately \$10,400,000 per year as the account exempt points reach \$6,000.
2. The spokesman said that the present staff "... and requested additional position of attorney will be sufficient to accomplish required changes."