

State of Arkansas
90th General Assembly
Third Extraordinary Session, 2016

Call Item 8

A Bill

HOUSE BILL 1010

By: Representative House

By: Senators Standridge, Bledsoe, Collins-Smith, J. Dismang, Flippo, S. Flowers, Hickey, J. Hutchinson,
Irvin, B. Sample, J. Woods

For An Act To Be Entitled

AN ACT TO CLARIFY THE LAW REGARDING WORKERS' COMPENSATION PAYMENTS UNDER THE WORKERS' COMPENSATION LAW THAT RESULTED FROM INITIATED MEASURE 1948, NO.4; TO END PAYMENTS FOR EMPLOYEE DISABILITY OR DEATH FROM THE DEATH AND PERMANENT TOTAL DISABILITY TRUST FUND; TO LOWER THE RATE OF TAX FOR WORKERS' COMPENSATION INSURANCE; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY WORKERS' COMPENSATION DEATH AND PERMANENT TOTAL DISABILITY TRUST PAYMENTS UNDER THE WORKERS' COMPENSATION LAW THAT RESULTED FROM INITIATED MEASURE 1948, NO.4; AND TO LOWER EMPLOYERS' TAX RATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 11-9-303(a), concerning the maximum tax rate the Workers' Compensation Commission may charge to carriers, is amended to read as follows:

(a)(1) In addition to the premium taxes collected from carriers, the carriers shall pay annually to the Workers' Compensation Commission a tax, at the rate to be determined as provided in § 11-9-306 but not to exceed three percent (3%), on all written manual premiums resulting from the writing of



workers' compensation insurance on risks within the state.

(2) Upon the final payment of the liabilities of the Death and Permanent Total Disability Trust Fund under § 11-9-502, the tax rate under this section shall not exceed one and five-tenths percent (1.5%).

SECTION 2. Arkansas Code § 11-9-304(a), concerning the maximum tax rate the Workers' Compensation Commission may charge to self-insured employers, is amended to read as follows:

(a)(1) ~~It shall be the duty of the~~ The Workers' Compensation Commission ~~to shall~~ collect a tax from every self-insured employer at a rate to be determined as provided by § 11-9-306 but not to exceed three percent (3%) of the written manual premium which would have to be paid under § 11-9-303 by a carrier if the self-insured employer were insured by a carrier.

(2) Upon the final payment of the liabilities of the Death and Permanent Total Disability Trust Fund pursuant to § 11-9-502, the tax rate under this section shall not exceed one and five-tenths percent (1.5%).

SECTION 3. Arkansas Code § 11-9-305(a)(1), concerning the maximum tax rate the Workers' Compensation Commission may charge to public employers, is amended to read as follows:

(a)(1)(A) ~~It shall be the duty of the~~ The Workers' Compensation Commission ~~to shall~~ collect a tax from every public employer providing workers' compensation coverage to its employees at a rate to be determined as provided by § 11-9-306 but not to exceed three percent (3%) of the written manual premium which an insurance carrier would have to pay under § 11-9-303 if the public employer were insured by a carrier.

(B) Upon the final payment of the liabilities of the Death and Permanent Total Disability Trust Fund under § 11-9-502, the tax rate under this section shall not exceed one and five-tenths percent (1.5%).

SECTION 4. Arkansas Code § 11-9-306(d), concerning the determination of surplus and rate of taxation under the Workers' Compensation Law, is amended to read as follows:

(d)(1) The total rate of taxation for all three (3) funds when added together shall not exceed three percent (3%).

(2) Upon the final payment of the liabilities of the Death and

Permanent Total Disability Trust Fund under § 11-9-502, the tax rate under this section shall not exceed one and five-tenths percent (1.5%).

SECTION 5. Arkansas Code § 11-9-502(b)(1) and (2), concerning limitations on compensation for an employee's disability or death, is amended to read as follows:

(b)(1)(A) For injuries occurring on or after March 1, 1981, but on or before December 31, 2007, and a claim for death or permanent total disability benefits filed on or before June 30, 2019, the first seventy-five thousand dollars (\$75,000) of weekly benefits for death or permanent total disability shall be paid by the employer or its insurance carrier in the manner provided in this chapter.

(B) For injuries occurring on or after January 1, 2008, and a claim for death or permanent total disability benefits filed on or before June 30, 2019, the employer or its insurance carrier shall pay weekly benefits for death or permanent total disability not to exceed three hundred twenty-five (325) times the maximum total disability rate established for the date of the injury under this chapter.

(2)(A) An employee or a dependent of an employee who has filed a claim for death or permanent total disability benefits on or before June 30, 2019, and who receives a total of seventy-five thousand dollars (\$75,000) in weekly benefits for injuries sustained on or before December 31, 2007, shall be eligible to continue to draw benefits at the rates prescribed in this chapter, but all benefits in excess of seventy-five thousand dollars (\$75,000) shall be payable from the Death and Permanent Total Disability Trust Fund.

(B) An employee or a dependent of an employee who has filed a claim for death or permanent total disability benefits on or before June 30, 2019, and who receives the maximum amount specified in subdivision (b)(1)(B) of this section shall be eligible to continue to draw benefits at the rates prescribed by this chapter payable from the trust fund.

SECTION 6. Arkansas Code § 11-9-502, concerning limitations on compensation for an employee's disability or death, is amended to add an additional subsection to read as follows:

(c)(1) A claim against the Death and Permanent Total Disability Trust

Fund shall not be filed later than June 30, 2019, regardless of the date of injury or death, or otherwise.

(2) The Death and Permanent Disability Trust Fund is not liable for a claim for permanent total disability or death filed after June 30, 2019.

(3) For a claim for permanent total disability or death filed after June 30, 2019, the employer at the time of the employee's compensable injury is liable for permanent total disability or death benefits under this chapter, excluding this section and any claim pending under § 11-9-525 on June 30, 2019.

(4) Upon satisfaction of the liabilities of the Death and Permanent Total Disability Trust Fund, the Death and Permanent Total Disability Trust Fund shall be terminated.

APPROVED: 05/23/2016