



129th MAINE LEGISLATURE

LD 1203

LR 2084(01)

An Act To Clarify the Retirement Presumption under the Maine Workers' Compensation Act of 1992

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Sylvester of Portland

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - All Funds

Current biennium cost increase - local units of government

Fiscal Detail and Notes

Current law provides that when an employee who is receiving workers' compensation benefits terminates active employment and begins receiving retirement benefits the employee is no longer eligible to receive workers' compensation benefits unless a preponderance of evidence is provided that indicates that the individual is unable to perform suitable work because of the work-related disability. This legislation lowers the burden of proof and allows the retired employee to continue collecting workers' compensation benefits if the retired employee provides a preponderance of evidence that demonstrates that the employee's retirement was due "at least in part" to the work-related injury.

A preliminary analysis performed by the National Council on Compensation Insurance (NCCI), Inc. indicates that this provision "may result in an indeterminate increase in overall workers' compensation system costs in Maine" that would be realized through future loss experience and reflected in subsequent NCCI loss cost filings in the State. This analysis was performed by NCCI on a prospective basis only for accidents occurring on or after the effective date of this bill. If applied retroactively, there would be an unfunded liability to the extent that the cost of this provision was not reflected in the premiums charged for policies written prior to the effective date.

The fiscal impact of this legislation on the State as a direct reimbursement employer and to local units of government can not be determined at this time and will depend on actual experience.