

FISCAL NOTE

	FY 2016	FY 2017	FY 2018
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
INDUSTRIAL ACCIDENT FUND	\$693,912	\$707,790	\$721,946

Source of expenditure increase:

Injured workers receiving a Permanent Partial Impairment (PPI) award and/or a Permanent Partial Disability (PPD) award prior to receiving a Permanent Total Disability (PTD) award would receive an increased PTD monthly payment under this proposed legislation. Currently, PPI and PPD awards are deducted from the PTD award and paid out over 80 months. Under this bill, the 80 month period is reduced by the number of months for which previous awards were made. By offsetting the PPD and PPI awards through a reduction in duration rather than monthly amount, the PTD monthly payment will be higher.

The basis of comparison used to determine this fiscal impact is the difference in the current entitlement of the monthly PTD benefit as compared to the proposed entitlement of the PTD monthly benefit.

Current method of PTD monthly calculation:

PTD award of \$202,676 minus PPI of \$35,491 minus PPD of \$44,246 = \$122,939
\$122,939 divided by 80 months = \$1,536/month

Proposed Method of PTD monthly calculation:

80 months minus 15 PPI months minus 18.7 PPD months = 46.3 months.
PTD award paid at \$2,533/month for 46.3 months

Per case fiscal impact per year:

Difference in proposed monthly calculation from current monthly calculation x 12
\$2,533 - \$1,536 = \$997
\$997 x 12 = \$11,964

Total Fiscal Impact per year:

58 (Average number of PTD cases per year) times \$11,964 = \$693,912

Assumptions:

The above calculations are based on the following assumptions:

- Approximate avg. claimant age of 40 years old at time of PTD determination
- Earnings as calculated under W.S. 27-14-403(c) (iii)
- Two-thirds of Statewide average wage = \$2,533.46/month
- Permanent Partial Impairment (PPI) rating of 25% (lowest percentage) would result in an award of \$35,491, which would be paid over 15 months
- Permanent Partial Disability (PPD) award = \$44,246 which would be paid over 18.7 months
- Permanent Total Disability award = \$2,533.46 times 80 months = 202,676
- A 2% per year rate of wage inflation is assumed.

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