

February 13, 2019

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2016 by Representative Carmichael

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2016 is respectfully submitted to your committee.

Currently, employers may deduct retirement benefits for employer-sponsored retirement plans from workers compensation benefits paid to an employee. HB 2016 would disallow reduction of workers compensation benefits from the social security benefits received by the employee. The bill would allow employer contributions to a retirement plan to be used to reduce workers compensation benefits while employee contributions to a retirement plan would not be used to reduce workers compensation benefits.

The Insurance Department indicates that with the enactment of HB 2016, workers compensation benefits could increase as a result of no longer deducting social security benefits from the payments. The agency states that this happens infrequently, and the fiscal effect would be negligible. The Department of Labor, Kansas Association of Counties and the League of Kansas Municipalities indicate that HB 2016 would not have a fiscal effect.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Dawn Palmberg, Department of Labor
Glenda Haverkamp, Insurance
Chardae Caine, League of Municipalities
Jay Hall, Association of Counties