

The Senate Committee on Insurance and Labor offered the following substitute to HB 1045:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 34 of the Official Code of Georgia Annotated, relating to labor and industrial
2 relations, so as to change certain provisions relating to employment security and workers'
3 compensation; to extend certain provisions relating to the rate of employer contributions,
4 variations from the standard rate, and administrative assessments; to extend the provision
5 relating to automatic repeal; to provide for an additional appointment to the Board of
6 Trustees of the Subsequent Injury Trust Fund; to extend the time period for the dissolution
7 of the Subsequent Injury Trust Fund; to provide for an annual report by the administrator of
8 the Subsequent Injury Trust Fund; to provide for related matters; to repeal conflicting laws;
9 and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Title 34 of the Official Code of Georgia Annotated, relating to labor and industrial relations,
13 is amended by revising Code Section 34-8-151, relating to rate of employer contributions,
14 as follows:

15 "34-8-151.

16 (a) For periods prior to April 1, 1987, or after December 31, ~~2022~~ 2026, each new or
17 newly covered employer shall pay contributions at a rate of 2.7 percent of wages paid by
18 such employer with respect to employment during each calendar year until the employer
19 is eligible for a rate calculation based on experience as defined in this chapter, except as
20 provided in Code Sections 34-8-158 through 34-8-162.

21 (b) For periods on or after April 1, 1987, but on or before December 31, 1999, each new
22 or newly covered employer shall pay contributions at a rate of 2.64 percent of wages paid
23 by such employer with respect to employment during each calendar year until the employer
24 is eligible for a rate calculation based on experience as defined in this chapter, except as
25 provided in Code Sections 34-8-158 through 34-8-162.

26 (c) For periods on or after January 1, 2000, but on or before December 31, 2016, each new
27 or newly covered employer shall pay contributions at a rate of 2.62 percent of wages paid
28 by such employer with respect to employment during each calendar year until the employer
29 is eligible for a rate calculation based on experience as defined in this chapter, except as
30 provided in Code Sections 34-8-158 through 34-8-162.

31 (d) For periods on or after January 1, 2017, but on or before December 31, ~~2022~~ 2026,
32 each new or newly covered employer shall pay contributions at a rate of 2.64 percent of
33 wages paid by such employer with respect to employment during each calendar year until
34 the employer is eligible for a rate calculation based on experience as defined in this
35 chapter, except as provided in Code Sections 34-8-158 through 34-8-162."

36

SECTION 2.

37 Said title is further amended by revising the introductory language in subsections (c) and (e)
38 of Code Section 34-8-155, relating to benefit experience and variations from standard rate,
39 as follows:

40 "(c) For the periods prior to April 1, 1987, or after December 31, ~~2022~~ 2026, variations
41 from the standard rate of contributions shall be determined in accordance with the
42 following requirements:"

43 "(e) For the periods on or after January 1, 2000, but on or before December 31, ~~2022~~ 2026,
44 variations from the standard rate of contributions shall be determined in accordance with
45 the following requirements:"

46 **SECTION 3.**

47 Said title is further amended by revising Code Section 34-8-180, relating to creation of
48 administrative assessment upon all wages and assessments due quarterly, as follows:

49 "34-8-180.

50 (a) For the periods on or after January 1, 2000, but on or before December 31, 2016, there
51 is created an administrative assessment of 0.08 percent to be assessed upon all wages as
52 defined in Code Section 34-8-49, except the wages of:

53 (1) Those employers who have elected to make payments in lieu of contributions as
54 provided by Code Section 34-8-158 or who are liable for the payment of contributions
55 as provided in said Code section; or

56 (2) Those employers who, by application of the State-wide Reserve Ratio as provided
57 in Code Section 34-8-156, have been assigned the minimum positive reserve rate or the
58 maximum deficit reserve rate.

59 (b) For the periods on or after January 1, 2017, but on or before December 31, ~~2022~~ 2026,
60 there is created an administrative assessment of 0.06 percent to be assessed upon all wages
61 as defined in Code Section 34-8-49, except the wages of:

62 (1) Those employers who have elected to make payments in lieu of contributions as
63 provided by Code Section 34-8-158 or who are liable for the payment of contributions
64 as provided in said Code section; or

65 (2) Those employers who, by application of the State-wide Reserve Ratio as provided
66 in Code Section 34-8-156, have been assigned the minimum positive reserve rate or the
67 maximum deficit reserve rate.

68 (c) Assessments pursuant to this Code section shall become due and shall be paid by each
69 employer and must be reported on the employer's quarterly tax and wage report according
70 to such rules and regulations as the Commissioner may prescribe. The assessments
71 provided in this Code section shall not be deducted, in whole or in part, from the
72 remuneration of individuals in the employ of the employer. Any deduction in violation of
73 this subsection is unlawful."

74

SECTION 4.

75 Said title is further amended by revising Code Section 34-8-181, relating to additional
76 assessment for new or newly covered employer, as follows:

77 "34-8-181.

78 (a) For the periods on or after January 1, 2000, but on or before December 31, 2016, in
79 addition to the rate paid under Code Section 34-8-151, each new or newly covered
80 employer shall pay an administrative assessment of 0.08 percent of wages payable by it
81 with respect to employment during each calendar year until it is eligible for a rate
82 calculation based on experience as defined in this chapter, except as provided in Code
83 Section 34-8-158.

84 (b) For the periods on or after January 1, 2017, but on or before December 31, ~~2022~~ 2026,
85 in addition to the rate paid under Code Section 34-8-151, each new or newly covered
86 employer shall pay an administrative assessment of 0.06 percent of wages payable by it
87 with respect to employment during each calendar year until it is eligible for a rate
88 calculation based on experience as defined in this chapter, except as provided in Code
89 Section 34-8-158."

90

SECTION 5.

91 Said title is further amended by revising Code Section 34-8-185, relating to repealer of the
92 article, as follows:

93 "34-8-185.

94 This article shall stand repealed in its entirety on January 1, ~~2023~~ 2027."

95

SECTION 6.

96 Said title is further amended by revising subsections (a) and (c) of Code Section 34-9-354,
97 relating to creation and appointment of board of trustees, duties, term of office of members
98 and chairman, oath of office, as follows:

99 "34-9-354.

100 "(a) There is created a Board of Trustees of the Subsequent Injury Trust Fund composed
101 of ~~five~~ six members who shall serve for a term of six years each. One member shall be
102 selected from each of the following fields: the insurance industry; rehabilitation
103 professionals; management; labor; trial attorney specializing in the representation of
104 injured workers; and the public at large. The Commissioner of Insurance and the executive
105 director of the State Board of Workers' Compensation shall be ex officio members of the
106 board of trustees. The ex officio members shall serve without compensation in an advisory
107 capacity only."

108 "~~(c) One member shall be appointed for a period of two years, one member for a period~~
109 ~~of three years, one member for a period of four years, one member for a period of five~~
110 ~~years, and one member for a period of six years. Thereafter, each~~ Each member shall be
111 appointed for a full term of six years or the remainder of an unexpired term."

112

SECTION 7.

113 Said title is further amended by revising subsection (c) and adding a new subsection to Code
114 Section 34-9-368, relating to reimbursement of self-insured employers or insureds, actuarial
115 study required, and dissolution of Subsequent Injury Trust Fund, to read as follows:

116 "(c) Upon or in contemplation of the final payment of all claims filed for subsequent
117 injuries for which claims are filed for injuries occurring on and prior to June 30, 2006, the
118 board of trustees shall adopt and implement resolutions providing for the final dissolution
119 of the Subsequent Injury Trust Fund. Such resolutions shall become effective when all
120 claims made for injuries occurring on and prior to June 30, 2006, have been fully paid or
121 otherwise resolved and shall include provisions for:

- 122 (1) The termination of assessments against insurers or self-insurers;
- 123 (2) The pro rata refund of assessments previously collected and unexpended, consistent
124 with the provisions of subsection (f) of Code Section 34-9-358;
- 125 (3) The termination of employment of the employees of the fund or the transfer of
126 employment of any employees to any other state agency desiring to accept them;
- 127 (4) A final accounting of the financial affairs of the fund; and
- 128 (5) The transfer of the books, records, and property of the fund to the custody of the
129 Department of Insurance.

130 Upon the completion of all matters provided for in such resolutions, but not later than
131 ~~December 31, 2023~~ December 31, 2025, the Subsequent Injury Trust Fund and the
132 members of its board of trustees shall be discharged from their duties except for such
133 personnel necessary to administer any remaining claims.

134 (d) Beginning on January 1, 2023, and every year thereafter on January 1, until the final
135 payment of all the claims, the administrator of the Subsequent Injury Trust Fund shall
136 provide an annual report to the House Committee on Industry and Labor and the Senate
137 Insurance and Labor Committee. Such report shall include:

- 138 (1) The total number of remaining claims;

139 (2) The total number of claims which have been closed through settlement for the 12
140 month period immediately preceding the January 1 reporting date; and
141 (3) Guidance from the Board of Trustees of the Subsequent Injury Trust Fund regarding
142 the number of claims it expects to close through settlement during the next 12 month
143 period."

144

SECTION 8.

145 All laws and parts of laws in conflict with this Act are repealed.