Certain Death and Related Benefits Allowed by the Workers Compensation Act; Senate Sub. for HB 2184

Senate Sub. for HB 2184 increases certain death and related benefits allowed by the Workers Compensation Act (Act).

When an employee dies at the workplace, the Act allows for an initial payment to be shared between the surviving spouse and the dependent children. The spouse receives 50.0 percent, and the children, if applicable, receive 50.0 percent. The bill increases the initial payment from $40,000 to $60,000. After the initial payment, the Act generally allows for those dependents to receive weekly payments, subject to minimum and maximum amounts that are specified by law. Under the Act, a wholly dependent child may receive subsequent weekly benefits until the age of 18 or age of 23, provided the child is either incapable of earning wages or enrolled as a full-time student in a college or vocational institution. The bill clarifies that benefits for a dependent child 18 years old continue until May 30 of the child’s senior year of high school or until the child turns 19, whichever happens earlier. If a deceased employee leaves behind a spouse, dependent children, or both, then no other dependents or heirs may receive benefits under the Act.

The remainder of the bill revises certain minimum and maximum benefits payable for other individuals. Pursuant to the Act, other individuals who were wholly dependent upon a deceased employee’s earnings are eligible for a benefit. The bill increases the maximum benefit from $18,500 to $100,000. In situations where a deceased employee leaves behind persons who were partially dependent, the minimum benefit increases from $2,500 to $25,000, and the maximum benefit increases from $18,500 to $100,000.

The Act allows legal heirs to receive a lump-sum payment of $25,000, but they are exempt from receiving that benefit if there is a life insurance policy that was procured by an employer worth not less than $18,500 and with beneficiaries designated by the deceased employee. The bill increases the lump-sum benefit to heirs from $25,000 to $100,000. However, if the employer procured a life insurance policy in an amount not less than $50,000, then the benefit paid to the heirs is reduced by the amount of the life insurance, up to $100,000.

The maximum amount paid by the employer for burial expenses increases from $5,000 to $10,000. When a court-appointed conservator is necessary, the maximum costs paid by an employer increase from $1,000 to $2,500.