

**LEGISLATIVE REFERENCE BUREAU**

AMENDMENTS TO SENATE BILL NO. 676

Sponsor:

Printer's No. 795

1 Amend Bill, page 1, line 8, by inserting after

2 "Commonwealth;"

3 in procedure, further providing for the Workmen's Compensation  
4 Administration Fund;

5 Amend Bill, page 1, line 10, by striking out "and" where it  
6 occurs the first time and inserting a comma

7 Amend Bill, page 1, line 10, by inserting after "department"  
8 and for assessments and transfers

9 Amend Bill, page 4, lines 9 and 10, by striking out all of  
10 said lines and inserting

11 Section 2. Sections 446(a) and (b), 1601, 1602, 1603, 1604,  
12 1605 and 1607(a) of the act are amended to read:

13 Section 446. (a) There is hereby created a special fund in  
14 the State Treasury, separate and apart from all other public  
15 moneys or funds of this Commonwealth, to be known as the  
16 Workmen's Compensation Administration Fund.

17 (a.1) The purpose of [this fund] the Workmen's Compensation  
18 Administration Fund shall be to finance:

19 (1) the Prefund Account established in section 909(a); and

20 (2) the operating and administrative expenses of the  
21 Department of Labor and Industry, including the Workmen's  
22 Compensation Appeal Board and staff, but not the State Workmen's  
23 Insurance Fund, in the direct administration of The Pennsylvania  
24 Workmen's Compensation Act and The Pennsylvania Occupational  
25 Disease Act [including].

26 (a.2) The operating and administrative expenses in  
27 subsection (a.1)(2) shall include only the following:

28 (1) wages and salaries of employes for services performed in  
29 the administration of these acts;

30 (2) reasonable travel expenses for employes while engaged in  
31 official business; and

32 (3) moneys expended for office rental, equipment rental,  
33 supplies, equipment, repairs, services, postage, books, and

1 periodicals.

2 (b) The [fund] Workmen's Compensation Administration Fund  
3 shall be maintained by no more than one (1) annual assessment  
4 payable in any calendar year on insurers and self-insurers under  
5 this act, including the State Workers' Insurance Fund[. After  
6 the initial term, budgeted expenses shall be approved by the  
7 General Assembly on a fiscal year basis. Thereafter, the] as  
8 follows:

9 (1) The department shall [make assessments and] submit for  
10 approval to the General Assembly on a fiscal year basis a  
11 proposed budget sufficient to cover the Prefund Account and  
12 other operating and administrative expenses under subsection  
13 (a.1). The total amount approved by the General Assembly shall  
14 be the approved budget. The department shall collect moneys  
15 based on the ratio that such insurer's or self-insurer's  
16 payments of compensation bear to the total compensation paid in  
17 the preceding calendar year in which the annual assessment is  
18 made. [The total amount assessed shall be the approved budget.]

19 (2) If on January 31, there exists in the [administration  
20 fund] Workmen's Compensation Administration Fund any money in  
21 excess of one hundred [thirty-three] twenty per centum of the  
22 [current] approved budget, the following fiscal year's  
23 assessment shall be reduced by an amount equal to that excess  
24 amount.

25 \* \* \*

26 Amend Bill, page 9, by inserting between lines 25 and 26

27 Section 1607. Assessments and transfers.

28 (a) [For the purpose of establishing and maintaining the  
29 fund, the sum of \$1,000,000 is hereby transferred from the  
30 Administration Fund established under section 446 to the fund  
31 for operation of the fund for the period commencing on the  
32 effective date of this section through June 30, 2007.] (1) The  
33 department shall calculate the amount necessary to maintain the  
34 fund and shall assess insurers and self-insured employers as is  
35 necessary to provide an amount sufficient to pay outstanding and  
36 anticipated claims in the following year in a timely manner and  
37 to meet the costs of the department to administer the fund. The  
38 fund shall be maintained in the same manner as the Workmen's  
39 Compensation Administration Fund under section 446 and the  
40 regulations thereunder.

41 (2) In no event shall any annual assessment exceed  
42 [0.1%] 0.25% of the total compensation paid by all insurers  
43 or self-insured employers during the previous calendar year.

44 (3) Each fiscal year, the department shall determine the  
45 expenses of the fund for the prior fiscal year. If the total  
46 amount assessed for the prior fiscal year exceeds 130% of the  
47 expenses for that prior fiscal year, the current fiscal year  
48 assessment shall be reduced by an amount equal to that excess  
49 amount.

