

WORKERS' COMPENSATION COMPLIANCE

Summary of legislative and regulatory changes

October 2024

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Pennsylvania

Senate Bill 365

On Oct. 29, 2024, Gov. Josh Shapiro signed [Senate Bill 365](#), which lowers the burden of proof for first responders suffering from post-traumatic stress injuries (PTSI) diagnosed by a licensed psychologist or psychiatrist. The bill removes the requirement that it be demonstrated that the injury resulted from abnormal working conditions and establishes the following incidents or exposures as qualifying traumatic events for which first responders may file a claim for a post-traumatic injury:

- Resulting in serious bodily injury or death to any person or persons.
- Involving a minor who has been injured, killed, abused or exploited.
- Involving an immediate threat to the life of the claimant or another individual.
- Involving mass casualties.
- Responding to crime scenes for investigations.

This bill defines first responder to include peace officers who respond to emergency calls, Pennsylvania state police officers and active volunteers, employees or members of a fire company who respond to emergency calls or emergency medical services (EMS) providers that are either:

- Designated as a municipality's primary EMS provider.
- Dispatched by a 911 dispatcher or pursuant to a mutual aid agreement.

Workers' compensation benefits for PTSI are limited to 104 weeks. A PTSI suffered as a result of disciplinary action, job or performance evaluation, job transfers or employment termination is not compensable.

The legislation stipulates that the relevant sections related to PTSI claims become effective in one year or Oct. 29, 2025; however, the remainder of the bill became effective upon signing.

Pennsylvania

Senate Bill 1232

On Oct. 29, 2024, Gov. Shapiro also signed [Senate Bill 1232](#), which provides a regulatory framework governing the payment of benefits by direct deposit. Key provisions of the bill include:

- Requires payment of compensation by direct deposit to the account of the person entitled to the compensation but requires that the insurer or self-insured employer pay compensation by paper check if the person entitled to compensation does not have an account with a financial institution capable of accepting direct deposit.
- Allows insurers or self-insured employers to permit or require direct deposit after the effective date of the bill.
- Requires all insurers or self-insured employers to permit payment of compensation by direct deposit no later than one year after the effective date of the bill.
- Requires the Department of Labor and Industry (DLI) to develop a standard authorization form for direct deposit, capturing certain information as required by the bill.
- Requires insurers and self-insured employers to notify individuals entitled to compensation about the direct deposit option and provide the person entitled to compensation with the authorization form.
- Requires payment checks to temporarily be sent via paper check if the authorization form is not timely received.

This measure was unanimously recommended by the Workers' Compensation Advisory Council and is expected to deliver benefits faster by reducing processing and mailing time. Prior to the passage of this bill, compensation was only payable by direct deposit at the request of the injured employee.

The bill takes effect 60 days from the date the bill was signed and applies to installments of compensation paid on or after the effective date.

Legislation to watch

Michigan Senate Bill 1079

On Nov. 7, 2024, [Senate Bill 1079](#) was introduced and referred to the Committee on Labor. If passed as written, this proposed bill will make significant changes, including:

- Revise the definition of “disability.”
- Redefine wage loss to mean a loss of earnings "connected to a disability" rather than loss of earnings "due to a disability."
- Repeal a provision that states an injured worker fired for cause after returning to employment has voluntarily left the workforce and is not entitled to benefits.
- Revise the definition and calculation of wage-earning capacity.
- Increase the maximum compensation to 100% of the statewide average weekly wage (SAWW) from 90% of the SAWW.
- Add a schedule loss-of-use (SLU) award providing 52 weeks of benefits for serious and permanent scarring or disfigurement of the face or head.
- Include the value of dental or health insurance when calculating a worker's average weekly wage (AWW) if those benefits are discontinued while the worker is disabled.

The Michigan Legislature adjourns Dec. 19, 2024. However, the [Michigan Chamber of Commerce](#) cautions that this legislation could be pushed through in the lame-duck session to reach the governor’s desk before the end of 2024. As a result of the election, the Michigan House flipped from a 56-54 majority for Democrats to a 58-52 majority for Republicans during the next session.

The information contained within this document is intended to provide summary level information on proposed or enacted laws related to family and medical leave. It is not intended to provide guidance on the application of these legal requirements or as an update to your company’s attendance and/or leave policies. We recommend you consult with legal counsel to determine what changes, if any, should be applied to company policy.

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