



NEW YORK STATE SENATOR

William Larkin

Larkin Announces Agreement On Workers Comp Reform

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February 26, 2007

Senator Bill Larkin (R-C, Cornwall-on-Hudson) today announced a landmark agreement between the Senate, Assembly and Governor to reform the state's workers' compensation system.

Senator Larkin stated that businesses continually refer to the high cost of workers compensation insurance premiums as a major obstacle to doing business in New York State. "High premiums have cost us jobs and low benefits have hurt workers," said Senator Larkin. "The agreement we have reached today will reduce workers comp premiums 10 to 15 percent and save businesses a billion dollars over the next several years. It will also increase benefits for injured workers for the first time in over a decade."

Much of the savings (\$822 Million) result from a new schedule for permanent partial disability (PPD) benefits that will, for the first time, place a limit on the PPD wage benefits, ranging from about 4 to 10 years. This is currently a lifetime benefit. Medical benefits will continue for the employee.

Employers will be able to receive premium credits (similar to drivers' point reduction programs) by creating one or all of the following: a program to get injured employees back to work; a worker safety program or a drug and alcohol program.

Workers Compensation benefits will increase for the first time in 15 years - being raised from the current \$400 per week to two-thirds of the average weekly wage in New York State. The increase will be implemented in four yearly steps and then an annually indexing of the average weekly wage in New York State will begin.

A safety net will be created for disabled workers to help them return to work and more assistance will be available for people classified as more than 80% disabled. Penalties and sanctions will be increased for workers comp fraud committed by business and by employees. A Task Force will be created to streamline regulations and the compensation process, as well as to update Workers Compensation guidelines and rehabilitation programs.

"This a victory for business and for labor," said Senator Larkin. "Businesses will see savings as soon as next year. "We have been working on these initiatives in the Senate for over ten years, and I am pleased that the bills we have passed as well as initiatives discussed at workers compensation roundtables held by the Senate, have brought business and labor together to work out a very complicated issue."