Prepared By: The Professional Staff of the Banking and Insurance Committee

BILL: SB 1796

INTRODUCER: Senator Hays

SUBJECT: Preferred Worker Program

DATE: February 1, 2012   REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Matiyow	Burgess	BI	**Favorable**
2.			BC	
3.				
4.				
5.				
6.				

I.   Summary:

The bill repeals the Preferred Worker Program (PWP) which was created by the Legislature in 1993.[1] The PWP provided a reimbursement of workers' compensation insurance premiums to employers who hired employees that had suffered a past workplace injury and were unable to return to work for their previous employer.

In 1997[2] the legislature amended the program to only allow employees injured prior to January 1, 1998 to apply. Furthermore, injured employees had to file for the program within 2 years of their date of injury[3] and employers were only afforded the reimbursement for up to 3 years.[4] As a result the program could no longer accept applicants by January 1, 2001, and no employers are currently allowed by statute to continue to receive the reimbursement.

This bill repeals the following section of the Florida Statutes: 440.49(8) and amends 440.50, 624.4626.

II.   Present Situation:

The Preferred Worker Program (PWP) was approved by the Legislature and became effective January 1, 1994.[5] The program provides financial incentives for employers to hire employees

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[1] s. 43, ch.93-415 L.O.F.
[2] s. 1, ch.97-262 L.O.F
[3] 69L-11.006, F.A.C.
[4] s. 440.49(8), F.S.
[5] s. 43, ch.93-415 L.O.F.

who suffered a workplace injury resulting in permanent physical disability and are unable to return to work for their previous employer. The PWP incentivizes the hiring of such injured workers by reimbursing the workers' compensation insurance premiums the employer was required to pay to cover the preferred worker. This reimbursement of insurance premiums was paid from the Special Disability Trust Fund (SDTF) through the Office of the Chief Financial Officer.[6] The PWP also provides that the Department of Financial Services and the Department of Education have rulemaking authority to implement the program.

In 1997[7] the Legislature amended s. 440.49, F.S., to provide that the SDTF could not disperse funds for accidents that occurred after January 1, 1998. In addition, rule 69L-11.006, F.A.C., requires that an application for PWP benefits must be filed within 2 years of the employee's workplace accident. Therefore, claims filed after January 1, 2000, could not be accepted. This limitation effectively created an end point to the program. Lastly, s. 440.49(8), F.S., permits employer reimbursement for only 3 years, as a result no employers are currently allowed to continue to receive the reimbursement.

III.   Effect of Proposed Changes:

The bill repeals the Preferred Worker Program. The Program can no longer accept applicants nor reimburse employers for premiums paid on workers compensation insurance. The Preferred Worker Program has become statutorily dormant and there is no effect to its repeal from statute.

The act shall take effect July 1, 2012.

IV.   Constitutional Issues:

A.   Municipality/County Mandates Restrictions:

None.

B.   Public Records/Open Meetings Issues:

None.

C.   Trust Funds Restrictions:

None.

V.   Fiscal Impact Statement:

A.   Tax/Fee Issues:

None.

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[6] s. 440.49(8), F.S.
[7] s. 1, ch.97-262 L.O.F.

    B.   Private Sector Impact:

        None.

    C.   Government Sector Impact:

        None.

VI.   Technical Deficiencies:

None.

VII.   Related Issues:

None.

VIII.   Additional Information:

    A.   Committee Substitute – Statement of Substantial Changes:
        (Summarizing differences between the Committee Substitute and the prior version of the bill.)

        None.

    B.   Amendments:

        None.