

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 760 Session of 2023

INTRODUCED BY PISCIOTTANO, VENKAT, HILL-EVANS, ROZZI, MADDEN, SANCHEZ, McANDREW, BRENNAN, MARSHALL, GERGELY, SCHLOSSBERG, HADDOCK, DELLOSO, KHAN, PARKER, CIRESI, DAWKINS, DEASY, GREEN, CONKLIN AND NEILSON, MARCH 30, 2023

AS REPORTED FROM COMMITTEE ON LABOR AND INDUSTRY, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 24, 2023

AN ACT

1 Amending the act of June 2, 1915 (P.L.736, No.338), entitled "An
2 act defining the liability of an employer to pay damages for
3 injuries received by an employe in the course of employment;
4 establishing an elective schedule of compensation; providing
5 procedure for the determination of liability and compensation
6 thereunder; and prescribing penalties," in liability and
7 compensation, further providing for compensation payable in
8 periodical installments.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. Section 308 of the act of June 2, 1915 (P.L.736,
12 No.338), known as the Workers' Compensation Act, is amended to
13 read:

14 Section 308. (a) Except as hereinafter provided, all
15 compensation payable under this article shall be payable in
16 periodical installments, as the wages of the employe were
17 payable before the injury.

18 ~~(b) At the request of the employe, person entitled to~~
19 ~~compensation under section 307, employer or insurer,~~

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1 ~~compensation shall be made by electronic fund transfer to the~~
2 ~~account of the person entitled to compensation or to a debit~~
3 ~~account provided to the person.~~

4 (B) INSTALLMENTS OF COMPENSATION PAYABLE UNDER THIS ARTICLE <--
5 MUST BE PAID TO THE PERSON ENTITLED TO COMPENSATION BY DIRECT
6 DEPOSIT, SUBJECT TO THE FOLLOWING:

7 (1) THE INSURER OR SELF-INSURED EMPLOYER PERMITS PAYMENT OF
8 COMPENSATION BY DIRECT DEPOSIT. THE FOLLOWING SHALL APPLY:

9 (I) AFTER THE EFFECTIVE DATE OF THIS SUBSECTION, AN INSURER
10 OR SELF-INSURED EMPLOYER MAY PERMIT PAYMENT OF COMPENSATION BY
11 DIRECT DEPOSIT. IF THE INSURER OR SELF-INSURED EMPLOYER PERMITS
12 PAYMENT BY DIRECT DEPOSIT, THE OPTION SHALL BE AVAILABLE TO ALL
13 PERSONS ENTITLED TO COMPENSATION FROM THE INSURER OR SELF-
14 INSURED EMPLOYER.

15 (II) NO LATER THAN ONE YEAR AFTER THE EFFECTIVE DATE OF THIS
16 SUBSECTION, ALL INSURERS AND SELF-INSURED EMPLOYERS SHALL PERMIT
17 PAYMENT OF COMPENSATION BY DIRECT DEPOSIT.

18 (2) THE INSURER OR SELF-INSURED EMPLOYER SHALL NOTIFY THE
19 PERSONS ENTITLED TO COMPENSATION OF THE OPTION TO RECEIVE
20 COMPENSATION BY DIRECT DEPOSIT. NOTIFICATION SHALL BE SENT BY
21 FIRST CLASS MAIL AND INCLUDE THE DIRECT DEPOSIT AUTHORIZATION
22 FORM UNDER SUBSECTION (C). NOTIFICATION SHALL BE SENT IN
23 ACCORDANCE WITH THE FOLLOWING:

24 (I) IMMEDIATELY UPON THE AVAILABILITY OF DIRECT DEPOSIT BY
25 THE INSURER OR SELF-INSURED EMPLOYER.

26 (II) AT LEAST ONCE WITH THE FIRST CHECK THAT IS MAILED OUT
27 IMMEDIATELY FOLLOWING THE NOTIFICATION SENT UNDER SUBPARAGRAPH

28 (I).

29 (3) A PERSON ENTITLED TO COMPENSATION OR THEIR LEGAL
30 GUARDIAN WHO REQUESTS TO RECEIVE COMPENSATION VIA DIRECT DEPOSIT

1 SHALL SUBMIT AN ACCURATE AND VALID DIRECT DEPOSIT AUTHORIZATION
2 FORM TO THE INSURER OR SELF-INSURED EMPLOYER. THE DIRECT DEPOSIT
3 AUTHORIZATION FORM MAY BE SUBMITTED ELECTRONICALLY IF THE
4 INSURER OR SELF-INSURED EMPLOYER HAS AGREED TO ACCEPT THE FORM
5 ELECTRONICALLY. THE INSURER OR SELF-INSURED EMPLOYER MAY NOT BE
6 REQUIRED TO PAY COMPENSATION BY DIRECT DEPOSIT UNLESS THE PERSON
7 ENTITLED TO COMPENSATION OR THEIR LEGAL GUARDIAN HAS SUBMITTED A
8 VALID AUTHORIZATION FORM.

9 (4) THE PERSON ENTITLED TO COMPENSATION OR THEIR LEGAL
10 GUARDIAN SHALL HAVE THE RIGHT TO CHOOSE THE DEPOSIT ACCOUNT TO
11 WHICH PAYMENTS OF COMPENSATION ARE MADE AND MAY REQUEST TO
12 CHANGE THE DEPOSIT ACCOUNT DESIGNATED TO RECEIVE COMPENSATION OR
13 DISCONTINUE DIRECT DEPOSIT BY SUBMITTING A REVISED DIRECT
14 DEPOSIT AUTHORIZATION FORM TO THE INSURER OR SELF-INSURED
15 EMPLOYER. THE PERSON ENTITLED TO COMPENSATION OR THEIR LEGAL
16 GUARDIAN SHALL HAVE CONTROL AND SIGNATORY ACCESS TO THE CHOSEN
17 DEPOSITORY ACCOUNT.

18 (5) PAYMENTS OF COMPENSATION MAY NOT BE SPLIT BETWEEN
19 MULTIPLE PAYMENT METHODS, AND PAYMENTS OF COMPENSATION MADE BY
20 DIRECT DEPOSIT MAY NOT BE SPLIT BETWEEN MULTIPLE DEPOSIT
21 ACCOUNTS.

22 (6) A REQUEST TO INITIATE DIRECT DEPOSIT, CHANGE DEPOSIT
23 ACCOUNTS OR DISCONTINUE DIRECT DEPOSIT SHALL BE IMPLEMENTED
24 WITHIN 45 DAYS OF RECEIPT, PROVIDED THAT THE DIRECT DEPOSIT
25 AUTHORIZATION FORM IS VALID.

26 (7) LUMP SUM SETTLEMENT PAYMENTS MADE AS A RESULT OF A
27 COMPROMISE AND RELEASE AGREEMENT SHALL BE MADE BY CHECK UNLESS
28 THE INSURER OR SELF-INSURED EMPLOYER AGREES TO MAKE PAYMENT BY
29 DIRECT DEPOSIT.

30 (C) THE DEPARTMENT SHALL DEVELOP AND PUBLISH A STANDARD

1 DIRECT DEPOSIT AUTHORIZATION FORM FOR USE BY ALL INSURERS AND
2 SELF-INSURED EMPLOYERS UNDER THIS SECTION. THE FORM SHALL
3 INCLUDE, AT A MINIMUM, THE FOLLOWING INFORMATION:

4 (1) THE NAME, PHONE NUMBER, MAILING ADDRESS AND EMAIL
5 ADDRESS OF THE PERSON ENTITLED TO COMPENSATION.

6 (2) THE WORKERS' COMPENSATION CLAIM NUMBER.

7 (3) WHETHER THE PERSON ENTITLED TO COMPENSATION OR THEIR
8 LEGAL GUARDIAN IS REQUESTING TO INITIATE DIRECT DEPOSIT, CHANGE
9 DEPOSIT ACCOUNTS OR DISCONTINUE DIRECT DEPOSIT.

10 (4) THE NAME AND ADDRESS OF THE FINANCIAL INSTITUTION AND
11 THE ACCOUNT AND ROUTING NUMBERS TO WHICH COMPENSATION SHALL BE
12 SENT.

13 (5) ACKNOWLEDGMENT THAT FAILURE TO NOTIFY THE INSURER OR
14 SELF-INSURED EMPLOYER OF ANY CHANGE IN FINANCIAL INSTITUTION OR
15 ACCOUNT MAY DELAY RECEIPT OF COMPENSATION OR SETTLEMENT
16 PROCEEDS.

17 (6) ACKNOWLEDGMENT THAT THE PERSON ENTITLED TO COMPENSATION
18 OR THEIR LEGAL GUARDIAN SHALL NOTIFY THE INSURER OR SELF-INSURED
19 EMPLOYER OF CHANGES IN CIRCUMSTANCE THAT AFFECT ENTITLEMENT TO
20 COMPENSATION PAYABLE UNDER THIS ARTICLE.

21 (D) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES
22 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION UNLESS
23 THE CONTEXT CLEARLY INDICATES OTHERWISE:

24 "DIRECT DEPOSIT" SHALL MEAN A CREDIT TO A DEPOSIT ACCOUNT IN
25 A FINANCIAL INSTITUTION MADE BY ELECTRONIC FUND TRANSFER.

26 "ELECTRONIC FUND TRANSFER" SHALL MEAN AS THE TERM IS DEFINED
27 IN 15 U.S.C. § 1693A (RELATING TO DEFINITIONS).

28 "PERSON ENTITLED TO COMPENSATION" SHALL MEAN AN EMPLOYEE
29 ENTITLED TO COMPENSATION UNDER THIS ARTICLE OR A PERSON ENTITLED
30 TO COMPENSATION UNDER SECTION 307.

1 "VALID AUTHORIZATION FORM" SHALL MEAN A COMPLETED DIRECT
2 DEPOSIT AUTHORIZATION FORM, AS PRESCRIBED BY THE DEPARTMENT
3 UNDER SUBSECTION (C), WHICH CONTAINS THE INFORMATION NECESSARY
4 FOR AN INSURER OR SELF-INSURED EMPLOYER TO INITIATE DIRECT
5 DEPOSIT, CHANGE DEPOSIT ACCOUNTS OR DISCONTINUE DIRECT DEPOSIT.

6 Section 2. This act shall apply to ~~claims for compensation~~ <--
7 ~~filed~~ INSTALLMENTS OF COMPENSATION PAID on or after the <--
8 effective date of this section.

9 Section 3. This act shall take effect in 60 days.