

**SENATE APPROPRIATIONS COMMITTEE  
FISCAL NOTE**

**BILL NO.** House Bill 2081

**PRINTER'S NO.** 3195

**AMOUNT**

Minimal Fiscal Impact

**FUND**

Workers' Compensation Administration

**DATE INTRODUCED**

March 11, 2014

**PRIME SPONSOR**

Representative Adolph

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 2081 amends the state Workers' Compensation Act to exclude from the definition of "employee" those workers covered under the federal Longshore and Harbor Workers' Compensation and the Merchant Marine Acts. Employers will no longer be required to provide workers' compensation coverage under Pennsylvania law, if such employees are covered by the aforementioned acts and no benefits under Pennsylvania Workers' Compensation law can be claimed by and paid to these maritime employees.

The act takes effect immediately.

**FISCAL IMPACT:**

Maritime employees are currently covered under both the federal Longshore and Harbor Workers' Compensation Act and the state Workers' Compensation Act. House Bill 2081 specifically excludes these employees from the definition of "employee" in the state Workers' Compensation Act, thus eliminating the necessity for the provision of dual coverage and saving employers the additional cost for their employees' workers' compensation coverage under the state law. As an employer, Aker Philadelphia Shipyards estimates their savings from eliminating the need for coverage under the state Workers' Compensation Act at \$500,000 annually. A very slight revenue reduction may occur to the Workers' Compensation Administration Fund from eliminating coverage of these maritime employees from coverage under the state Workers' Compensation program. A percentage of the value of workers' compensation policies is assessed on the employers and paid into this Fund. Since these employers will no longer be required to purchase policies under the state Workers' Compensation Act, this assessment will no longer be applied. No other fiscal impact to the Commonwealth is expected to result from the elimination of the dual workers' compensation coverage.