



**Written Testimony of Secretary Michael Vovakes
Department of Labor & Industry
before the House Labor and Industry Committee**

**Harrisburg, Pennsylvania
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Good morning Chairman Kauffman, Chairman Galloway, Committee Members and Committee Staff, I appreciate the opportunity to submit testimony today to the House Labor and Industry Committee on House Bill 1909. My name is Michael Vovakes and I am the Deputy Secretary for Compensation and Insurance in the Department of Labor and Industry.

Volunteers typically are not considered to be employees, and are not entitled to coverage under the Workers' Compensation Act (the Act). Section 601 identifies specific classes of volunteers who are to be treated as employees for purposes of the Act. Under this section, the municipality is deemed the employer. Since the volunteer has no actual wages derived from the volunteer service, the Act provides that there is an irrebuttable presumption that their average weekly wage (AWW) for the volunteer service is at least equal to that of the statewide AWW. So, whether that disabled volunteer has a primary job, or is non-certified, or retired and collecting Social Security, or unemployed, Section 601 guarantees wage loss and medical benefits to him/her based upon the presumption.

Under Section 601, coverage is currently provided for "members" of specified volunteer groups, including volunteer fire departments or volunteer fire companies, volunteer ambulance corps and volunteer rescue and lifesaving squads. Coverage extends to "members" while actively engaged as a firefighter, ambulance corps member, rescue and lifesaving squad member, or while performing other activities specifically set forth in the Act's provisions. The term "member" is not defined in the Act, leaving a determination to be made as to whether an individual volunteer member who is not a firefighter, ambulance corps member, or rescue and lifesaving squad member is covered. Some volunteers may not be covered under the organization's workers' compensation policies because they were not within the class of members performing first responder (firefighting, ambulance, rescue and lifesaving) duties. If an injury claim is made and coverage is denied, the injured volunteer can litigate that claim through the established administrative process with the Workers' Compensation Office of Adjudication.

HB 1909 would amend Section 601 of the Act to directly identify firefighters, ambulance corps members, and rescue and lifesaving squad members as eligible for workers' compensation under Section 601, but also include "officers, directors... and any other members" of those volunteer organizations. This language likely would eliminate some of the uncertainty concerning coverage of individuals beyond traditional first responders to additional categories of volunteer personnel including officers and directors, and quite possibly social members, retired members, non-certified members, auxiliary members and any other ancillary members. Specific reference to the ancillary volunteers would further eliminate uncertainty.

The State Workers' Insurance Fund currently insures many of the municipalities and organizations that are covered by Section 601. The increase in the pool of covered individuals generated by this bill is expected to result in an increase in costs for the State Workers' Insurance Fund (SWIF). In addition to the added administrative costs associated with handling the additional claims that are anticipated, SWIF would be obligated to pay workers' compensation medical benefits and wage loss benefits to the expanded definition of members if they become injured. Because unpaid volunteer "members" who have no earnings from the volunteer work would be entitled to the average weekly wage if injured, an auxiliary or social member could receive \$1,025.00 per week if injured. Correspondingly, an increase in the premiums for SWIF's subscribing municipalities and political subdivisions whose experience rating is affected by the number of and cost of their claims, up to a \$42,500.00 cap per claim, may be anticipated with an increase in the pool of covered volunteers.

To conclude, I would again like to thank this committee for the opportunity to testify today to provide information regarding House Bill 1909.

The Department of Labor & Industry remains committed to working with all stakeholders to achieve improvements in the workers' compensation system in Pennsylvania.

Thank you, and I would be glad to answer any questions that you may have.