

Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: June 30, 2011

SUBJECT: Fiscal Impact Statement – “Public Sector Workers’ Compensation
Return to Work Clarifying Emergency Amendment Act of 2011”

REFERENCE: No bill number, shared with the OCFO on June 20, 2011

Conclusion

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the proposed legislation.

Background

The proposed legislation would¹ allow the Mayor to require all employees and claimants receiving workers’ compensation benefits to provide information on their annual earnings. The affidavit would include the value of housing, board, lodging, or other advantages that are part of earnings in employment or self-employment and can be estimated in money. In addition, the proposed legislation would allow the Office of Risk Management (ORM) to move claimants hired prior to January 1, 1980, to the limited wage earning capacity (LWEC) category.

Financial Plan Impact

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the proposed legislation.

Collecting an income affidavit annually from all workers’ compensation claimants will allow ORM to investigate whether claimants on total disability are in fact working and receiving other income

¹ By amending the Comprehensive Merit Personnel Act of 1979, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01 *et seq.*).

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FIS: DRAFT "Public Sector Workers' Compensation Return to Work Clarifying Emergency Amendment Act of 2011," shared with the OCFO on June 20, 2011

and, therefore, fraudulently receiving benefits. Currently, ORM can only request an income affidavit from claimants on partial disability.

The second proposed change would correct an error in the Fiscal Year 2010 Budget Support Act of 2009² that limited the process for moving claimants to the LWEC category, to employees hired prior to January 1, 1980. Moving claimants to the LWEC category is a method of decreasing payments to claimants who are well enough to work at least part-time but fail to benefit from vocational rehabilitation.

It is not possible to estimate savings at this time as ORM does not know with certainty how many claimants are fraudulently receiving benefits or how many claimants can appeal their move to LWEC.

² Effective March 2, 2010 (D.C. Law 18-111; 57 DCR 181).