Senate OK's tighter workers comp rules

Republicans have passed their workers compensation reform bill in the Michigan Senate on almost a party-line vote.

It goes to the Democrat-controlled House, where it will be guided by Rep. Gordon Sparks, R-Troy, minority vice chairman of the House Labor Committee.

Senate Bill 67 is intended to cut the cost of business contributions to the workers' comp system by tightening the standards on who is entitled to benefits.

Under it, injured workers who believe their employers deliberately caused on-the-job injuries would have to choose between court and workers compensation claims.

HERE'S HOW Observer & Eccentric area senators voted:

- Yes — Republicans Doug Cruce of Troy, Richard Fessler of West Bloomfield, R. Robert Geake of Northville and Rudy Nichols of Waterford.
- No — Democrats William Faust of Westland, Jack Faxon of Farmington Hills and George Hart of Dearborn.

Senate Democrats spent more than three hours Wednesday unsuccessfully arguing that the proposed standards aren't fair to many injured workers.

Democrats also failed to block legislation that would allow privatization of the Michigan Accident Fund, which sells workers compensation insurance.

"IT IS NOTHING more than a business wish list," said Sen. John Cherry of Clio, who led minority Democrats in opposing the changes.

"We've got a fair balance here," replied Republican Geake. "It's a reasonable compromise for everybody."

Sen. Fred Dillingham, R-Fowlerville, Senate sponsor, said Senate Republicans want the issue settled without resorting to another extension of the May 15 deadline, when parts of the current workers compensation law expire.

In response to business complaints that workers comp insurance payments are too high and standards for receiving benefits are too lenient, the measure sets up a "standard of proof" through which workers would have to show their injuries were job-related.

TWO STATE Supreme Court decisions triggered other changes.

A 1985 ruling permitted insurance companies to deduct from thousands of workers comp checks the amount of benefits received from Social Security and other sources — so-called "coordination of benefits."

A law that took effect March 31, 1982, required coordination of benefits, but lawmakers say they intended it to apply only to workers injured after that date.

The high court interpreted the law to also cover workers injured before 1982, and insurance companies responded by demanding that injured workers repay benefits they already had received and spent.

The Senate-approved measure includes a section specifying that coordination of benefits shouldn't apply to workers injured before 1982.

However, it doesn't require reimbursement for people who have had their pensions reduced or who tried to pay the money the insurance companies demanded.

Republicans say the measure's goal is to make sure workers don't earn more while sidelined than they would have if they remained on the job.

ANOTHER DEBATE was triggered by a 1986 ruling letting injured workers sue their employers for harmful actions.

Republicans argued the workers' comp system was designed as a substitute for litigation and that suits should be permitted only in limited instances.

Democrats and organized labor are fighting to keep the court-expanded right to sue.

Companies needn't fear lawsuits over accidents but should be sued for deliberate harmful acts, said Cherry, using as an example the case of a teen-ager killed in a glassworks.

Workers had been ordered to load 2,000 pounds of glass on a cart with a 500-pound capacity, Cherry said. One of the cart's wheels shattered, dropping an avalanche of glass that sheared off the top of the teen-ager's head.

The family of the youth was able to sue for damages, arguing that the injury was not an accident but the result of a harmful act.

If the Senate-passed changes became law, the family in such a circumstance would have to go one step further before winning a court award: convincing a jury the employer set out to cause an injury.

DILLINGHAM described the Senate-passed plan as a starting point, saying he expected the Democrat-controlled House to disagree with the Senate plan and force the changes into a conference committee.

"It's really not any basis for negotiation," countered Tim Hughes, a lobbyist for the Michigan State AFL-CIO. "It'll be just starting from scratch in in the House."

The Associated Press contributed to this story.

UAW backs plant-closing bill

UAW President Owen Bieber said companies fight plant-closing-notice legislation because they fear community pressure.

"The real reason most companies don't give advance notice — and the reason they are opposed to a notice requirement — is that they don't want to face pressure from workers and communities," Bieber said in congressional testimony.

"Yet, it is not proper behavior to intentionally withhold information simply because a corporation wishes to avoid scrutiny of its decision," he said.

"GOVERNMENT HAS a duty to exercise social responsibility and protect workers and communities against the devastating consequences of economic change," Bieber said.

His comments came in testimony before subcommittees of the Senate's Labor and Human Resources Committee conducting hearings on plant-closing legislation.

He urged support for the advance notice, consultation and adjustment assistance provisions of S. 538, the proposed economic dislocation and workers adjustment assistance act.

Bieber reminded senators of "the personal misery for workers and their families, the economic and social costs for communities and the general loss to the economy created by corporate decisions that result in permanent dislocation."

Conceding that a dynamic economy may necessarily produce plant closings, Bieber argued that even for those fortunate enough to belong to unions, the collective bargaining process can only provide limited protection when corporations pull up stakes and abandon workers and communities.

Further, he argued that plant closings have been aggravated by government policies that subsidize "corporate decisions to export U.S. workers' jobs" and by international trade policies which are weak and ineffectively enforced."