



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1232

PRINTER'S NO. 1812

PRIME SPONSOR: Pennycuik

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	\$0	\$0
Workers' Compensation Administration Fund	\$0	\$0
State Workers' Insurance Fund (SWIF)	\$0	\$0

SUMMARY:

Senate Bill 1232 amends the Workers' Compensation Act to provide for the direct deposit of compensation payments.

ANALYSIS:

Senate Bill 1232 enables and then requires insurers to offer direct deposit as an option to receive workers' compensation payments.

Insurers and self-insured employers may offer direct deposit for one year after the effective date of the bill. After the one-year period, direct deposit will be a required option for payment, unless requested otherwise.

Insurers and self-insured employers must notify individuals entitled to compensation about the direct deposit option. The Department of Labor and Industry will develop a standard authorization form for direct deposit, capturing certain information as required by the bill.

The bill takes effect in 60 days and would apply to installments of compensation paid on or after the effective date.

FISCAL IMPACT:

Senate Bill 1232 would have no fiscal impact to the commonwealth. The department indicated that no additional information technology changes would be required for the State Workers' Insurance Fund (SWIF) to comply with the bill, as SWIF already offers direct deposit. For development of the direct deposit authorization form, the department could use a form that mirrors the existing SWIF form.

PREPARED BY: Sean Brandon, Assistant Executive Director
House Appropriations Committee (D)

DATE: October 9, 2024

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.