

Assembly

LABOR AND MANAGEMENT COMMITTEE MINUTES

APRIL 3, 1973

MEMBERS PRESENT: Chairman Banner, Mrs. Brookman, Messrs Ullom, Bickerstaff, McNeel, Barengo, Capurro

MEMBERS ABSENT: None

GUESTS: Harold Knudson, Northern Nevada Central Labor Council
 Blackie Evans, NIC
 J. Madole, Nevada Chapter AGC
 Wm. J. Crowell, Legal Advisor for NIC
 Rowland Oakes, Associated General Contractors
 Paul Gemmill, Nevada Mining Association, Inc.
 Rex A. Tynes, Nevada Power Co.
 R. S. Haley, NIC
 Gerald E. Weis, NIC
 Wallie Warren, Labor-Management NIC
 Henry Berrum, NIC
 John Reiser, NIC
 Lou Paley, Nevada State AFL-CIO
 Glen Taylor, Basic Management Inc.
 Bryn Armstrong, LV Sun

Chairman Banner called the meeting to order for the purpose of reviewing the bills in committee and taking some action on them.

Mr. McNeel presented some information that he had his intern prepare on various bills. This bills included AB 398, 401, 403 and 572 and SB 183. The information can found on Attachment I at the end of these minutes.

AB 559, which establishes tort liability for employers covered under Nevada Industrial Insurance Act, was discussed next.

Mr. Ullom expressed the feeling that since the compensation was not equitable was not the action of AB 559 warranted. And could not the threshold be put at a sufficient level to provide adequate compensation.

Mr. Capurro stated that was in violation of everything that workmen's compensation was all about. That we should work out a package that is equitable keeping in mind that we can not catch up all at once but take the attitude that we are going to catch up eventually. The problem is to provide equitable benefits so that there is no need for court action. Also need to keep in mind what we can afford to spend. This money is not just a number but is dollars and cents and must come from somewhere, and it will eventually get back to the consumer.

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Mr. Capurro then went on to explain how the interim study had reached their conclusions by taking the federal guidelines, what was needed by the Nevada workman and what would be available and the came up with what they felt could be passed by this session.

Mr. Reiser stated that there are at least 25 points of the federal guidelines that the NIC package meets or exceeds. The federal suggestion is an escalator which changes as the wages change. It is recommended to be taken in steps over the years starting with the 66 2/3% in the bill. He felt that the fact that these injured workman or his dependents in most cases will also receive some type of Social Security benefit should be considered. There may be some people who will be receiving between \$900-\$1,000 per month.

Mr. McNeel then asked what about retroactivity for those now under NIC who are receiving benefits that they can barely exist on.

Mr. Reiser stated that AB 310 which has passed the Assembly would provide retroactive payments out of the general fund, which is really the only way to do this so as not to invade the funds and violate the intent of the insurance.

Mr. Banner stated that what he was concerned with was what was adequate and fair.

Mr. Capurro said that even though we realize that the benefits were not made adequate in the past it does not give us the right to invade the workmen's benefits of the future which is what that fund guarantees. This is a fully funded operation and just because there is a lot of money in it you can not invade these funds. If you want to provide money for these people you must provide it from the general fund.

Mr. Reiser stated that we are all in agreement that the benefits should be raised and this package of social insurance is one that perhaps could be accepted at this time. Considering that Social Security benefits are also usually available this amount is not too bad.

Mr. Ullom then stated that this puts many people in a bad situation because not everybody (himself included) are not covered under Social Security.

Mr. McNeel stated that his big worry was this retroactive part of the bill. He felt that a person who got hurt in 1961 should be lifted to that same level of benefits as the person hurt in 1974.

Mr. Reiser said that if AB 310 passed that this would set a real precedence. If you do not provide for retroactive funds from the general funds another way would be to do it as the State of Washington does which is to charge the employee a premium to provide such insurance.

Mr. Evans of the NIC stated the recommendation was for the State Workmen's Compensation start looking into ways to set up a self funding insurance which would provide for retroactive benefits. At the present time if we were to bring everybody up the fund would go completely broke, or you would have increase the premiums to the employer by 150%.

Mr. McNeel then asked Mr. Reiser how many other states had the monolithic type plan such as Nevada's. Mr. Reiser stated that there were 5 other states. Some had higher benefits and some lower. Some had better benefits for one thing and not so good in other. The exclusive state plan seems to give better benefits to the extent of handling claims, rehabilitation etc.

Mr. McNeel then expressed that this was in cash benefits but does not take into consideration the state average wage, cost of living etc.

Mr. Banner then stated that he had some amendments to add to SB 183 to offer to the committee. These amendments would put the limit up to \$1,000 and allow for retroactivity.

Mr. Reiser then asked how they intended to fund the retroactivity. It would cost about \$13 1/2 million and would make NIC insolvent. You can not invade the \$40 million that belongs to the working men of Nevada.

Mr. Capurro stated that he could not go along with anything that hurt the future funds of NIC.

Mr. Ullom stated that since SB 183 does not provide ample compensation that he moved that we amend and do pass. Mr. McNeel seconded the motion. It was decided that the amendments be split into two separate amendments and voted upon individually.

Amend and Do Pass SB 183 putting the limit up to \$1,000.

	<u>Yea</u>	<u>Nay</u>
Brookman		X
Barengo		X
Ullom	X	
Bickerstaff	X	
Capurro		X
McNeel	X	
Banner	X	

Adding the additional amendment of the retroactive benefit

	<u>Yea</u>	<u>Nay</u>
Brookman		X
Barengo		X
Ullom	X	
Bickerstaff		X
Capurro		X
McNeel	X	

The motion to Do Pass SB 183 with the \$1,000 limit amendment was passed by the committee.

SB 4 - clarifies application of Nevada Administrative Procedure Act to Nevada Industrial Commission. Mr. McNeel moved that the committee indefinitely postpone SB 4 and Mr. Ullom seconded the motion. There were no dissenting votes.

SB 5 - Authorizes modification of Nevada Industrial Commission investment procedures to increase returns. Mr. Ullom moved "Do Pass" and Mr. McNeel seconded the motion. All the members of the committee voted AYE.

SB 3 - Revises qualifications and terms of employment of investment counsel for Nevada Industrial Commission. Mr. Capurro moved "Do Pass" and Mr. McNeel seconded the motion. All the members voted AYE.

SB 187 - Enables Nevada Industrial Commission to enter agreements with other states concerning extraterritorial problems and to effect insurance coverage to prevent double liability against employer. Mr. Barengo moved "Do Pass" and Mr. Capurro seconded the motion. All the members voted AYE.

SB 184 - Allows Nevada Industrial Commission to invest in buildings anywhere in State whether occupied by commission or not. Mr. McNeel moved "Do Pass as amended" and Mr. Ullom seconded the motion. There were no nay votes.

SB 367 - Authorizes Nevada Industrial Commission to determine whether certain private disability plans are adequate substitutes for coverage under the Nevada Industrial Insurance Act. Mr. McNeel moved "Do Pass" and Mr. Ullom seconded the motion. There were no dissenting votes.

SB 374 - Mr. Barengo stated that he felt that the language of the bill did not say what the intent of the bill really was. He also felt that it may be in direct conflict with the bill passed in the Assembly this day. He asked the chairman to withhold any action on this until another time. Chairman Banner agreed to hold this bill until later.

SB 7 - Empowers Nevada Industrial Commission to provide rehabilitation services. Mr. Banner said that he felt that this bill does not really say anything. Mr. Ullom said that it was enabling legislation and Mr. Capurro felt that it would make a good program.

Mr. Ullom moved to "Do Pass" and Mr. Barengo seconded the motion. Everyone voted yes with the exception of Mr. McNeel who voted no.

SB 185 - Defines total disability under the Nevada Industrial Insurance Act and Nevada Occupational Diseases Act.

Mr. Capurro stated that this bill goes hand and hand with SB 7. Mr. Ullom moved to "Do Pass" and Mrs. Brookman seconded the motion. There were no dissenting votes.

Chairman Banner stated that at the next meeting the committee would be considering SB 413, 507 and 536.

Mr. Barengo moved that the meeting be adjourned and Chairman Banner adjourned the meeting at 6:15.

Respectfully submitted,

Sandee Gagner,
Assembly Attache

LABOR AND MANAGEMENT COMMITTEE - 57TH SESSION

DATE: 4-3-73 BILL NO.: SB 4 SPONSOR: Dodge and Close

SUBJECT: Clarifies application of Nevada Administrative Procedure
Act to Nevada Industrial Commission

Committee Action

DATE: _____ AMENDED: YES NO

AMENDMENT MADE BY: _____

SECONDED BY: _____

COMMITTEE VOTE

BANNER	<u>YES</u>	NO	BICKERSTAFF	<u>YES</u>	NO
BROOKMAN	<u>YES</u>	NO	CAPURRO	<u>YES</u>	NO
BARENGO	<u>YES</u>	NO	McNEEL	<u>YES</u>	NO
ULLOM	<u>YES</u>	NO			

Disposition

DATE: _____ DO PASS: _____ DO PASS AS AMENDED: _____

INDEFINITELY POSTPONED: XXX

LABOR AND MANAGEMENT COMMITTEE - 57TH SESSION

DATE: 4-3-73 BILL NO.: SB 5 SPONSOR: Dodge and Close

SUBJECT: Authorizes modification of Nevada Industrial Commission
investment procedures to increase returns

Committee Action

DATE: _____ AMENDED: YES NO

AMENDMENT MADE BY: _____

SECONDED BY: _____

COMMITTEE VOTE

BANNER	<input checked="" type="radio"/> YES	NO	BICKERSTAFF	<input checked="" type="radio"/> YES	NO
BROOKMAN	<input checked="" type="radio"/> YES	NO	CAPURRO	<input checked="" type="radio"/> YES	NO
BARENGO	<input checked="" type="radio"/> YES	NO	McNEEL	<input checked="" type="radio"/> YES	NO
ULLOM	<input checked="" type="radio"/> YES	NO			

Disposition

DATE: _____ DO PASS: XXX DO PASS AS AMENDED: _____

INDEFINITELY POSTPONED: _____

LABOR AND MANAGEMENT COMMITTEE - 57TH SESSION

DATE: 4-3-73 BILL NO.: SB 7 SPONSOR: Dodge and Close

SUBJECT: Empowers NIC to provide rehabilitation services.

Committee Action

DATE: _____ AMENDED: YES NO

AMENDMENT MADE BY: _____

SECONDED BY: _____

COMMITTEE VOTE

BANNER	<u>YES</u>	NO	BICKERSTAFF	<u>YES</u>	NO
BROOKMAN	<u>YES</u>	NO	CAPURRO	<u>YES</u>	NO
BARENGO	<u>YES</u>	NO	McNEEL	YES	<u>NO</u>
ULLOM	<u>YES</u>	NO			

Disposition

DATE: _____ DO PASS: XXX DO PASS AS AMENDED: _____

INDEFINITELY POSTPONED: _____

LABOR AND MANAGEMENT COMMITTEE - 57TH SESSION

DATE: 4-3-73 BILL NO.: SB 183 SPONSOR: Committee Commerce & Labor
SUBJECT: Revises schedule of workmen's compensation benefits.

Committee Action

DATE: 4-3-73 AMENDED: (YES) NO
AMENDMENT MADE BY: Mr. Ullom
SECONDED BY: Mr. McNeel

COMMITTEE VOTE

BANNER	<u>(YES)</u>	NO	BICKERSTAFF	<u>(YES)</u>	NO
BROOKMAN	YES	<u>(NO)</u>	CAPURRO	<u>(YES)</u>	<u>(NO)</u>
BARENGO	YES	<u>(NO)</u>	MCNEEL	<u>(YES)</u>	NO
ULLOM	<u>(YES)</u>	NO			

Disposition

DATE: _____ DO PASS: _____ DO PASS AS AMENDED: XXX
INDEFINITELY POSTPONED: _____

To put the limit of benefits up to \$1,000

LABOR AND MANAGEMENT COMMITTEE - 57TH SESSION

DATE: 4-3-73 BILL NO.: SB 184 SPONSOR: Commerce and Labor Committee

SUBJECT: Allows NIC to invest in buildings anywhere in the state
whether occupied by commission or not.

Committee Action

DATE: _____ AMENDED: YES NO

AMENDMENT MADE BY: In the Senate

SECONDED BY: _____

COMMITTEE VOTE

BANNER	<u>YES</u>	NO	BICKERSTAFF	<u>YES</u>	NO
BROOKMAN	<u>YES</u>	NO	CAPURRO	<u>YES</u>	NO
BARENGO	<u>YES</u>	NO	McNEEL	<u>YES</u>	NO
ULLOM	<u>YES</u>	NO			

Disposition

DATE: _____ DO PASS: _____ DO PASS AS AMENDED: XXX

INDEFINITELY POSTPONED: _____

LABOR AND MANAGEMENT COMMITTEE - 57TH SESSION

DATE: 4-3-73 BILL NO.: SB 185 SPONSOR: Commerce and Labor Committee

SUBJECT: Defines total disability under the Nevada Industrial Insurance Act and Nevada Occupational Diseases Act

Committee Action

DATE: _____ AMENDED: YES NO

AMENDMENT MADE BY: _____

SECONDED BY: _____

COMMITTEE VOTE

BANNER	<u>YES</u>	NO	BICKERSTAFF	<u>YES</u>	NO
BROOKMAN	<u>YES</u>	NO	CAPURRO	<u>YES</u>	NO
BARENGO	<u>YES</u>	NO	McNEEL	<u>YES</u>	NO
ULLOM	<u>YES</u>	NO			

Disposition

DATE: _____ DO PASS: XXX DO PASS AS AMENDED: _____

INDEFINITELY POSTPONED: _____

LABOR AND MANAGEMENT COMMITTEE - 57TH SESSION

DATE: 4-3-73 BILL NO.: SB 187 SPONSOR: Commerce and Labor Committee

SUBJECT: Enables Nevada Industrial Commission to enter agreements
with other states concerning extraterritorial problems and to effect
insurance coverage to prevent double liability against employer.

Committee Action

DATE: _____ AMENDED: YES NO

AMENDMENT MADE BY: _____

SECONDED BY: _____

COMMITTEE VOTE

BANNER	<u>YES</u>	NO	BICKERSTAFF	<u>YES</u>	NO
BROOKMAN	<u>YES</u>	NO	CAPURRO	<u>YES</u>	NO
BARENGO	<u>YES</u>	NO	McNEEL	<u>YES</u>	NO
ULLOM	<u>YES</u>	NO			

Disposition

DATE: _____ DO PASS: xxx DO PASS AS AMENDED: _____

INDEFINITELY POSTPONED: _____

LABOR AND MANAGEMENT COMMITTEE - 57TH SESSION

DATE: 4-3-73 BILL NO.: SB 367 SPONSOR: Committee on Commerce and Labor

SUBJECT: Authorizes Nevada Industrial Commission to determine whether certain private disability plans are adeugate substitutes for coverage under the NIIA

Committee Action

DATE: _____ AMENDED: YES NO

AMENDMENT MADE BY: _____

SECONDED BY: _____

COMMITTEE VOTE

BANNER	<input checked="" type="radio"/>	NO	BICKERSTAFF	<input checked="" type="radio"/>	NO
BROOKMAN	<input checked="" type="radio"/>	NO	CAPURRO	<input checked="" type="radio"/>	NO
BARENGO	<input checked="" type="radio"/>	NO	McNEEL	<input checked="" type="radio"/>	NO
ULLOM	<input checked="" type="radio"/>	NO			

Disposition

DATE: _____ DO PASS: XXX DO PASS AS AMENDED: _____

INDEFINITELY POSTPONED: _____

LABOR BILLS

State Average Annual Income = \$8330
 State Average Monthly Income = \$694
 State Average Weekly Income = \$160

AB 398 - Total Disability Compensation
 Compensation at maximum \$1000/month wage
 One (1) individual = \$650
 Add per dependent = \$150
 Max Total Compensation = \$900

AB 401 - Death Benefits

Widow (without child) until death or remarriage
 50% monthly average (\$694) average benefit \$347
 50% max. benefit (\$1000/mo.) = \$500

Widower (without child)
 40% monthly average - at state average \$694 = \$277.60
 max. benefit (\$1000/mo.) = \$400

Either with child - add 15% of average monthly wage to
 both above per child
 State monthly average (\$694) = \$104.10
 Max benefit payment per child = \$150
 not to exceed 80% of individual's average monthly income.

Dependent Parents

One (1) dependent parent - 30% monthly income up to
 max of \$1000: State Average Monthly Income (\$694)
 = \$208.20 (average) max. 1000 yields \$300
 Two (2) dependent parents - 50% monthly income up
 to max of \$1000

Dependent Brother or Sister - 30% monthly income: at
 State Monthly Average (\$694) = \$208.20 max = \$300

Total will not exceed in any case 80% of individuals average
 monthly wage. State monthly wage (\$694) yields \$555.20/mo.
 max. (\$1000) 800.00/mo.

AB 403 - Temporary Disability

No more than 100 months at 65% compensation.
 State Aver. \$694 - \$451.10 max. (\$1000) = \$650
 (Not to exceed 90% of average income with dependent
 (dependent = 15% of wage/ child (dependent))).

AB 572 Permanent partial disability 50% of individual average monthly income (min. \$84 - max. \$500)

The following are the totals of payments, required and allowed, for injuries listed on the indicated pages and lines of AB 572.

<u>Bill Page</u>	<u>Min.Payment for Injury</u>	<u>Max.Payment for Injury</u>
10.	\$2520	\$15,000
12.	2100	12,500
13.	2394	14,250
14.	1974	11,750
16.	2268	13,500
18.	1848	11,000
<u>Bill Page 2</u>		
4.	2100	12,500
6.	1680	10,000
13.	1680	10,000
24.	210	1,500
26.	168	1,000
28.	378	2,250
30.	105	750
31.	294	1,750
33.	63	375
34.	210	1,500
36.	168	1,000
<u>Bill Page 3</u>		
13.	2100	12,500
14.	1680	10,000
32.	2520	15,000
34.	840	5,000
41.	2100	12,500
<u>Bill Page 4</u>		
4.	294	1,750
6.	105	750

SB 183 Total Disability
66-2/3% of state average monthly wage
average monthly - \$436.24

Temporary disability not to exceed 100 months at 66 2/3% of state average wage: i.e. max = \$43,624.00

Previous disability subtracted from benefit by percentage of previous disability.

Compensation of 0.5% of claimant's average monthly wage per 1% of impairment paid monthly for 5 years or until 65 years old.

Widow - 66-2/3 individual average wage until death or remarriage.

Upon remarriage of spouse with children, each child will receive 15% of state average monthly wage up to 66-2/3% of average monthly wage.

Dependant parent(s), brothers and sisters

1 dependent parent receives $33\frac{1}{3}\%$ of individuals average monthly wage, \$694 - 201.34

2 dependent parents receive $66\frac{2}{3}\%$ of individual's average monthly wage, \$694 - 492.66

Brother or sister until 18 proportionate share of $66\frac{2}{3}\%$ of individual's average monthly wage, i.e. \$694 - about 492.66

Aggregate shall not exceed $66\frac{2}{3}\%$ of individual's average monthly wage.

ASSEMBLY

AGENDA FOR COMMITTEE ON LABOR AND MANAGEMENT

Date 4-5-73 Time 4:00 Room 320

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Counsel requested*</u>
SB 413	Excludes students employed by school from unemployment compensation.	
SB 507	Permits an employer to make deductions from the compensation of an employee who is leaving such employer's service.	
SB 536	Limits scope of provision barring application of tips to minimum wages.	

*Please do not ask for counsel unless necessary.

ASSEMBLY

AGENDA FOR COMMITTEE ON LABOR AND MANAGEMENT

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Date 4-12-73 Time 4:00 Room 320

Bills or Resolutions
to be considered

Subject

Counsel
requested*

AB 945

Repeals Nevada's "right to work" law.