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Senate Bill 1080 (as introduced 11-7-24)
Sponsor: Senator Mary Cavanagh
Committee: Labor

Date Completed: 12-4-24

CONTENT

The bill would amend Chapter 3 (Compensation) of the Worker's Disability Compensation Act to do the following:

- **Conclusively presume the spouse of an employee who died from a personal injury to be wholly dependent on that employee's earnings for 208 weeks after death.**
- **Require a spouse presumed to be wholly dependent on a deceased employee's earnings to be paid for 500 weeks after death if the spouse established an entitlement to ongoing weekly compensation payments and did not remarry.**
- **Increase, from 16 to 18 years of age, the age under which the child of an employee who died from a personal injury would be conclusively presumed to be wholly dependent on for support from the deceased employee.**
- **Increase, from \$6,000 to \$12,000, the maximum funeral and burial expense that an employer must pay in the event of an employee death from a personal injury.**
- **Require the minimum weekly benefit upon an employee's death to be 50% of the State average weekly wage for a *wholly dependent* individual, instead of an individual.**
- **Specify that partially dependent individuals would not be entitled to a minimum weekly benefit.**
- **Delete the requirement that benefits cease for a 16- or 17-year-old self-supporting dependent child of a deceased employee.**

Spouse's Conclusive Presumption of Whole Dependence

The Act requires an employer that had an employee die as a result of personal injury to pay dependents of the employee who were wholly dependent on the employee's earnings a weekly payment equal to 80% of the employee's after-tax average weekly wage for a period of 500 weeks from the date of death. If the employee leaves dependents only partially dependent on the employee's earnings at the time of injury, the weekly payment must equal the same as described above. Under the bill, if the employee left dependents only partially dependent, the weekly compensation would have to equal the same proportion of the weekly payments for a wholly dependent individual as the employee's income bore to the combined income of the employee and the partially dependent individual at the time of injury, except as otherwise provided.

Under the bill, if death resulted from the personal injury of an employee, the employee's spouse who was living with the employee at the time of death would be conclusively presumed to be wholly dependent on the employee's earnings for support for a period of 208 weeks after the date of death. After the 208-week period, continuing dependency, in whole or in part, would be determined in accordance with the facts at the time of the injury. If the spouse were determined to be partially dependent on the employee's earnings for support at the time of the injury, the weekly compensation rate would have to be calculated according to the bill's

changes to compensation for a partially dependent individual as described above. If the spouse established an entitlement to ongoing weekly compensation payments and did not remarry, payments would have to be made for a period of 500 weeks from the date of death.

Increased Age for Conclusive Presumption of Whole Dependence

Currently, in the event of the death of an employee from a personal injury, a child under 16 years of age or who is 16 years of age or older and is physically or mentally incapacitated from earning is conclusively presumed to be wholly dependent for support on the parent with whom the child is living at the time of death of the parent. Instead, under the bill, if death resulted from the personal injury of an employee, a child of the employee who was less than 18 years old or 18 years old or older and physically or mentally incapacitated from earning would be conclusively presumed to be wholly dependent for support on the employee.

Delete 16-Year-Old Self-Supporting Requirement

Under the Act, if a child who is a dependent of a deceased employee reaches the age of 16 and becomes self-supporting for six months, the payment of compensation for the death of that employee must cease. If the child ceases to be self-supporting between 16 and 18 years old, the dependency must be reinstated. The bill would delete this language, and specify that the deletion would apply to all individuals who are entitled to receive compensation or who are receiving compensation on July 30, 2025, and who had not attained the age of 18 by that date.

Increased Limit for Funeral and Burial Expenses

Currently, in the event of the death of an employee from a personal injury, the employer must pay or cause to be paid the reasonable expense of the employee's last sickness, funeral, and burial. The expense of the funeral and burial must not exceed \$6,000 or the actual expense, whichever is less. The bill would increase the maximum expense from \$6,000 to \$12,000.

Modify Minimum Weekly Beneficiaries

Currently, the minimum weekly benefit for death of an employee is 50% of the State average weekly wage. Instead, under the bill, the minimum weekly benefit for death *for a wholly dependent individual* would be 50% of the State average weekly wage.

Additionally, under current law, there is no minimum weekly benefit for total disability. Under the bill, partially dependent individuals also would not be entitled to a minimum weekly benefit.

MCL 418.321 et al.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the Department of Labor and Economic (LEO) Opportunity and no fiscal impact on local units of government. The bill could increase the number of payouts to survivors of workers who died as a result of personal injury of an employee. It is unknown how many survivors would be affected by the bill, but there could be an increase in payouts. This could also increase the assessments on the various funds that support LEO's administration of the Act. The overall impact would likely be minor.

Fiscal Analyst: Cory Savino, PhD

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.