

ASSEMBLY BILL

No. 338

Introduced by Assembly Member Coto

February 14, 2007

An act to amend Section 4651 of the Labor Code, relating to workers' compensation.

LEGISLATIVE COUNSEL'S DIGEST

AB 338, as introduced, Coto. Workers' compensation: permanent disability.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of his or her employment. Existing law requires the payment of disability benefits to eligible individuals for injuries sustained in the course of employment that cause permanent disability, and specifies that the amount of those payments be computed in accordance with a prescribed formula. Existing law required the administrative director, on or before July 1, 2004, to present to the Governor recommendations on how to provide better access to funds paid to injured workers in light of the requirements of federal and state laws and regulations governing the negotiability of disability indemnity payments, and to make specific recommendations regarding payments to migratory and seasonal farmworkers.

This bill would delete that obsolete reporting requirement, and would require the administrative director, on or before July 1, 2008, to present to the Governor an evaluation of the benefits, if any, to injured workers as a result of the utilization of electronic funds transfers of funds owed to those injured workers.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4651 of the Labor Code is amended to
 2 read:
 3 4651. (a) No disability indemnity payment shall be made by
 4 any written instrument unless it is immediately negotiable and
 5 payable in cash, on demand, without discount at some established
 6 place of business in the state.
 7 Nothing in this section shall prohibit an employer from
 8 depositing the disability indemnity payment in an account in any
 9 bank, savings and loan association or credit union of the
 10 employee’s choice in this state, provided the employee has
 11 voluntarily authorized the deposit, nor shall it prohibit an employer
 12 from electronically depositing the disability indemnity payment
 13 in an account in any bank, savings and loan association, or credit
 14 union, that the employee has previously authorized to receive
 15 electronic deposits of payroll, unless the employee has requested,
 16 in writing, that disability indemnity benefits not be electronically
 17 deposited in the account.
 18 (b) It is not a violation of this section if a delay in the negotiation
 19 of a written instrument is caused solely by the application of state
 20 or federal banking laws or regulations.
 21 (c) On or before July 1, ~~2004~~ 2008, the administrative director
 22 shall present to the Governor ~~recommendations on how to provide~~
 23 ~~better access to funds paid to injured workers in light of the~~
 24 ~~requirements of federal and state laws and regulations governing~~
 25 ~~the negotiability of disability indemnity payments. The~~
 26 ~~administrative director shall make specific recommendations~~
 27 ~~regarding payments to migratory and seasonal farmworkers an~~
 28 ~~evaluation of the benefits, if any, to injured workers as a result of~~
 29 ~~the utilization of electronic funds transfers of funds owed to those~~
 30 ~~injured workers.~~ The Commission on Health and Safety and
 31 Workers’ Compensation and the Employment Development
 32 Department shall assist the administrative director in the
 33 completion of this report.

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