



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 3879 Signed by Governor on May 11, 2017  
**Author:** Davis  
**Subject:** Workers' Compensation Burial Expenses  
**Requestor:** House of Representatives  
**RFA Analyst(s):** Heineman and Gable  
**Impact Date:** May 23, 2017

**Estimate of Fiscal Impact**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	Undetermined	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds. This bill is expected to have an undetermined impact to the General Fund insurance premium tax revenue due to the increase in workers compensation premiums associated with the increased cost in coverage.

**Explanation of Fiscal Impact**

**Signed by Governor on May 11, 2017**

**State Expenditure**

This bill increases the amount of workers' compensation funds that are paid by the insurer for the death of an employee due to an accident. Under current law, if a death results proximately from an accident and within two years of the accident or while total disability still continues and within six years after the accident, the employer shall pay or cause to be paid to the dependents of the employee burial expenses up to but not exceeding \$2,500. The bill increases the burial expenses to a maximum amount of \$12,000.

**Workers' Compensation Commission.** The Commission indicates this bill does not impact the day-to-day operations of the Commission for reviewing death claims. While this bill increases the amount of death benefits for a claimant who has died as a result of a work related accident, the payment is made generally by the employer's insurance carrier or self-insurance. Therefore, this bill does not have an expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

This bill increases the amount of workers' compensation funds that are paid by the insurer for the death of an employee due to an accident from the current maximum of \$2,500 to a maximum of \$12,000. We expect the increase in the amount of workers' compensation funds paid will cause an increase in premiums to offset the cost incurred by the insurers. This increase is undetermined, as there is insufficient data to determine the total increase of workers' compensation benefits that will be paid. Per §38-7-50, workers' compensation premiums are subject to a 2.5 percent tax credited to the General Fund. However, as the increase to the premiums is undermined, the increase to the workers' compensation premium tax is also undetermined.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director