UFISINAN I MAGA'HÅGA
OFFICE OF THE GOVERNOR

LOURDES A. LEON GUERRERO
MAGA'HÅGA • GOVERNOR

JOSHUA F. TENORIO
SIGUNDO MAGA'LÅHI • LIEUTENANT GOVERNOR

HAND-DELIVERED

February 12, 2020

35GL-20-1533
Speaker Tina Rose Muña Barnes

FEB 12 2020
Time 4:46 ( )AM (✓)PM
Received By: Brian

HONORABLE TINA ROSE MUÑA BARNES, Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
35th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

2020 FEB 12 PM 5:10 O.T.

Re: **Substitute Bill No. 200-35 (COR)** – ***An Act to Amend §§ 9107(b), 9109(c)(20), 9110(a) and (e), and 9115(m); and to Add New §§ 9146 and 9108(e), all of Chapter 9, Title 22, Guam Code Annotated, Relative to Updating Guam's Thirty (30)-Year Old Rates for Worker's Compensation and Authorizing Alternative Medical Facilities for Injured Employees***

Dear Madame Speaker:

Substitute Bill 200-35, *"An Act to Amend §§ 9107(b), 9109(c)(20), 9110(a) and (e), and 9115(m); and to Add New §§ 9146 and 9108(e), all of Chapter 9, Title 22, Guam Code Annotated, Relative to Updating Guam's Thirty (30)-Year Old Rates for Worker's Compensation and Authorizing Alternative Medical Facilities for Injured Employees,"* which is now **Public Law No. 35-65**, is a testament to the value our community places on work.

For many years the compensation allocated to workers who suffer injury or even death while on the job has been inadequate. I am proud to be part of updating Guam's Workers Compensation weekly compensation rates and allowing employees to be seen at facilities other than Guam Memorial Hospital, so that our laws are more reflective of today's marketplace conditions. I thank Senator Regine Biscoe Lee for leading this effort and the Legislature, for its foresight in providing for automatic rate increases when similar changes occur to the minimum wage.

Senseremente,

JOSHUA F. TENORIO
Åkto Maga'låhen Guahan
Acting Governor of Guam

Enclosure(s): Substitute Bill No. 200-35 (COR) *nka Public Law No. 35-65*
cc via email: *Maga'hågan Guåhan*
Compiler of Laws

1533

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I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

This is to certify that **Substitute Bill No. 200-35 (COR), "AN ACT TO *AMEND* §§ 9107(b), 9109(c)(20), 9110(a) AND (e), AND 9115(m); AND TO *ADD* NEW §§ 9146 AND 9108(e), ALL OF CHAPTER 9, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO UPDATING GUAM'S THIRTY (30)-YEAR OLD RATES FOR WORKER'S COMPENSATION AND AUTHORIZING ALTERNATIVE MEDICAL FACILITIES FOR INJURED EMPLOYEES,"** was on the 4th day of February 2020, duly and regularly passed.

Tina Rose Muña Barnes
Speaker

Attested:

Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 4th day of Feb., 2020, at 4:22 o'clock P.M.

Assistant Staff Officer
Maga'håga's Office

APPROVED:

FOR
Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: ~~3/2~~ 2-12-20

Public Law No. 35-65

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

Bill No. 200-35 (COR)
As amended by the Committee on Federal and Foreign Affairs, Telecommunications, Technology, and Labor; and substituted and further amended on the Floor.

Introduced by: Régine Biscoe Lee
Mary Camacho Torres
Tina Rose Muña Barnes
William M. Castro
Kelly Marsh (Taitano), PhD
James C. Moylan
Louise B. Muña
Telena Cruz Nelson
Sabina Flores Perez
Clynton E. Ridgell
Joe S. San Agustin
Amanda L. Shelton
Telo T. Taitague
Jose "Pedo" Terlaje
Therese M. Terlaje

AN ACT TO *AMEND* §§ 9107(b), 9109(c)(20), 9110(a) AND (e), AND 9115(m); AND TO *ADD* NEW §§ 9146 AND 9108(e), ALL OF CHAPTER 9, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO UPDATING GUAM'S THIRTY (30)-YEAR OLD RATES FOR WORKER'S COMPENSATION AND AUTHORIZING ALTERNATIVE MEDICAL FACILITIES FOR INJURED EMPLOYEES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. Worker's compensation programs are a product of the late 1800s and early 1900s. They are built on the

principle that society benefits when workers injured on the job have access to benefits of medical treatment and financial compensation without regard to fault, while employers, in exchange, receive liability protection in the form of elimination of negligence cause of actions that would otherwise be brought against them in costly court cases. *I Liheslaturan Guåhan* finds that this protection for both workers and employers remains good public policy because it provides a certain extent of stability and predictability when dealing with the unfortunate reality that workplace injuries do occur; however, for this principle to be purposeful, the compensation afforded must be meaningful.

I Liheslaturan Guåhan finds that while the latest update to weekly compensation rates across the fifty (50) states was made three (3) *years* ago, in 2016, Guam's last rate adjustment occurred more than three (3) *decades* ago, in 1989. Then-Senator Elizabeth P. Arriola's Bill No. 97 in the Nineteenth (19th) Guam Legislature, enacted as Public Law 19-35 on December 30, 1988, amended certain sections of the Government Code relative to worker's compensation, and the relevant provisions of this public law became effective in 1989. The minimum and maximum weekly compensation rates were set between one hundred fifty dollars ($150) and two hundred fifty dollars ($250); and, the maximum compensation for serious disfigurement was set at ten thousand dollars ($10,000). In cases where an injury resulted in death, the maximum award for funeral expenses was set at three thousand six hundred dollars ($3,600); and, in computing death benefits for the individual's family, the average weekly wages of the deceased was limited to the range of two hundred twenty-five dollars ($225) to three hundred seventy-five dollars ($375). And, if a worker's injury resulted in temporary injury, permanent injury, or death, the total amount of benefits an individual or his or her survivors could receive was capped at one hundred thousand dollars ($100,000).

It is, therefore, the intent of *I Liheslaturan Guåhan* to breathe meaning back into the purpose of the workers' compensation program by updating compensation rates and the corresponding lifetime maximum payout, for injury, disfigurement, and death benefits based on a reasonable measure of standard inflation.

Section 2. § 9107(b) of Chapter 9, Title 22, Guam Code Annotated, is hereby *amended* to read:

"(b)(1) Compensation for disability *shall not* exceed Five Hundred Twenty Dollars ($520) per week on the effective date of this Act, which *shall* increase to One Thousand Eleven Dollars ($1,011) per week effective October 1, 2021.

(2) If the employee's average weekly wages, as computed under § 9111, are less than the amount equivalent to twenty (20) hours times sixty-six and two-thirds (66-2/3) per centum of the prevailing minimum wage (20 hours x 66.75% x Minimum Wage), per week, he or she *shall* receive as compensation for permanent total disability not less than the amount equivalent to twenty (20) hours times sixty-six and two-thirds (66-2/3) per centum of the prevailing minimum wage (20 hours x 66.75% x Minimum Wage), per week.

(3) The Bureau of Budget and Management Research (BBMR) *shall* transmit to *I Liheslaturan Guåhan* a fiscal note relative to each of the rate increases pursuant to Subsection (b)(1) of this Section, which *shall* indicate the effect upon the revenues or the expenditure of any funds of the government of Guam. Such fiscal notes *shall* be transmitted to *I Liheslaturan Guåhan* within six (6) months of the effective date of each rate increase."

Section 3. § 9109(c)(20) of Chapter 9, Title 22, Guam Code Annotated, is *amended* to read:

"(20) Disfigurement. The Commissioner *shall* award proper and equitable compensation for serious, permanent disfigurement of the face,

head, or other parts of the body that are customarily visible in the course of employment, not to exceed Twenty-five Thousand Dollars ($25,000)."

Section 4. § 9110(a) and (e) of Chapter 9, Title 22, Guam Code Annotated, are *amended* to read:

"(a) Reasonable funeral expenses not exceeding Seven Thousand Four Hundred Thirty-five Dollars ($7,435)."

"(e) In computing death benefits, the average weekly wages of the deceased *shall* be considered to have been not more than Seven Hundred Seventy-five Dollars ($775) per week nor less than Four Hundred Sixty-five Dollars ($465) per week."

Section 5. § 9115(m) of Chapter 9, Title 22, Guam Code Annotated, is *amended* to read:

"(m) The total compensation, excluding medical services and supplies, payable under this Title for any injury or death shall in no event exceed the sum of Two Hundred Six Thousand Five Hundred Seventy Dollars ($206,570). In cases of disability compensable under § 9109(c)(21), the total compensation for such disability, and for any temporary partial disability sustained in addition therein, *shall not* exceed in the aggregate the sum of Two Hundred Six Thousand Five Hundred Seventy Dollars ($206,570)."

Section 6. A new § 9146 is hereby *added* to Chapter 9 of Title 22, Guam Code Annotated, to read:

"**§ 9146. Automatic Adjustments to Rates.**

Rates and amounts in §§ 9107(b)(1), 9109(c)(20), 9110(a), 9110(e), and 9115(m) of this Chapter *shall* automatically adjust to amounts equivalent to the per centum change in any increase to the minimum wage."

Section 7. A new § 9108(e) is hereby *added* to Chapter 9 of Title 22, Guam Code Annotated, to read:

"(e) When an employee of the government of Guam suffers an injury as defined in § 9103(m) of this Chapter, his or her department head or other supervisor *shall* send him or her to the emergency room or an urgent care facility at the Guam Memorial Hospital, or any private hospital operating in Guam, for such examination and treatment as are made necessary by such injury, and *shall* furnish to the hospital such information or certification as the hospital requires."

Section 8. Effective Date. This Act *shall* apply to claims filed one hundred twenty (120) days after enactment.

Section 9. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity *shall not* affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.