



# North Dakota House of Representatives

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February 1, 2020

## HB 1408 Testimony

House Industry, Business and Labor Committee

Good morning Chair Lefor and members of the House IBL Committee.

House Bill 1408 is a bill that would require Workforce Safety and Insurance to include employer paid health insurance and retirement benefits for the determination of total wages for an injured employee. The bill is introduced based on my experience in listening to a constituent and advocating for his ability to secure post-injury employment that provides overall compensation comparable to his pre-injury employment. He and I both know that this legislation won't help him and his family specifically but could provide adequate support for future injured employees.

As business owners and employees, ourselves, we know that when an employer determines compensation to its employees, salary is just part of the equation. Whether or not health insurance or retirement benefits are offered, and for how much the employer will cover versus what the employee will cover are also a part of that determination. As a legislature there have been times where in lieu of increasing employee salaries, we have continued paying for a full health insurance premium or increase contributions to employee retirement programs. Private employers are no different. To compete for qualified employees and help retain them, while providing security for their health, possibly the health of their family and their retirement, health insurance and retirement benefits weigh greatly into the overall compensation provided to an employee.

Employees, when deciding on whether to work for a specific employer or not, typically compares not just the salary assigned to the job, but also the health insurance and retirement benefits that may or may not offset the salary. This becomes a very personal decision to each employee and their family. Many of whom take less of a salary to receive partial or fully paid health insurance that will meet the healthcare needs they or their family have. This committee is very familiar with the various discussions related to not only the PERS health insurance plan administered for all state employees, but also the discussions around private health insurance providers and what they do or don't provide for coverage, or what is required or not required to be covered for North Dakotans.

So if the public and private employment "system" uses healthcare insurance and retirement contributions as part of how salary is determined, why should it be any different for WSI's determination of wages for injured employees as part of their compensation throughout medical rehabilitation, job retraining or education programs?

You'll hear from Craig, the constituent I referred to at the beginning of my testimony, about the financial impacts he and his family have faced due to only his salary being considered as compensation. The impacts to his family and likely thousands of other injured employees throughout the state ends up moving many of these people to access government programs that are provided by taxpayers. Going onto government sponsored health insurance or having to deplete existing retirement savings to provide for current needs, leads to increased costs to all of us that, I think, can be absorbed partially by our WSI program.

Attached to my testimony is information provided by Legislative Council regarding the health of WSI's fund, which is reaching twice the size required by statute to have in reserves. All while providing employers premium dividends for 15 of the last fiscal years and at the max amount of 50% of their premiums the last five fiscal years. \$1.5 billion in premium dividends provided to employers over the past 15 years, with that trend to continue. The WSI Board's management of the fund combined with strong years for investments has led to a very healthy fund reserve that could be considered to provide for stronger financial support for injured employees. With the forecast indicating continued growth of the fund, current premiums paid by employers, of which are the lowest in the nation, would not be increased. The financial health of injured employees and their families in our state would also be increased, leading to more spending on goods and services, less personal debt and fewer North Dakotans needing to access certain government programs. This in turn would likely lead to healthier families and communities.

I ask the committee to support HB 1408 and hope that you can assist in developing a solution to better support injured employees in our state.

I will try my best to answer any questions committee members may have.