



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 3441 Amended by the House of Representatives on January 26, 2017  
**Author:** Gagnon  
**Subject:** Workers' Compensation  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Heineman  
**Impact Date:** April 7, 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	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill as amended is not expected to have an expenditure impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**Amended by the House of Representatives on January 26, 2017**

**State Expenditure**

This bill as amended allows an employer's representative to make payments for workers' compensation by check or electronic payment including, but not limited to, an electronic funds transfer, a direct deposit, debit card, or similar payment system.

**Workers' Compensation Commission.** The Commission indicates current regulation requires compensation payments be made by paper check. The addition of electronic payment options in this bill has the potential of reducing the operating costs for employers or insurance carriers and decreases the possibility of the claimants being delayed in receiving their benefits because of a delay in delivery by the United States Postal Service. The supplementary payment options in this bill will not materially alter the day to day operations of the Commission since payments from the State specific to accidents come from the State Accident Fund. Therefore, this bill does not have an expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Accident Fund.** The agency indicates they currently receive 4,000-5,000 claims per year and make payments using paper checks. This bill allows the agency to opt into using electronic payment for claimants but does not require them to do so. If the agency were to use electronic

payment for its claimants, there will be fees associated with setting up an electronic payment option with the bank that provides payments on behalf of the State Accident Fund. Any savings associated with not having to print checks and pay for postage to mail them to claimants may be offset by costs for setting up an electronic payment option and will depend on the number of claimants who participate in the electronic payment option versus receiving a paper check. As such, we expect any potential expenditure savings would be minimal.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director