



**To:**

Management Labor Advisory Committee

**From:**

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**Problem: Wage disparity.** Worker's compensation is supposed to match the take-home pay injured workers receive on the job. But in reality, the tax bracket formula penalizes lower-income workers, so they do not receive fair compensation. In many cases, workers decide to not even file for workers compensation because they know they will not be able to make ends meet with only 66 and  $\frac{2}{3}$  percent of their wages. When calculating the workers' benefit, it's always multiplying the worker's wages by 66.67% to get the time loss rate, then compare that to the maximum. The worker is paid whichever is less.

**Solution:**

Give workers a benefit that is equal to the average weekly wage of compensation of the worker pre-injury. Lower-income workers pay a lower percentage of their salary to taxes, but the worker's compensation formula treats all workers the same. The formula used to calculate the weekly benefit is based on a tax bracket for higher income workers that ends up penalizing low-income workers who pay a lower tax rate. That means, they often get paid less than what they would actually receive if they were working. We aim to incentivize workers to file for workers compensation so that they can focus on getting better and not having to worry about other stressors can speed up their healing process. With this reform, Oregon could become a leader in prioritizing workers' overall wellbeing in this process.

Oregon AFSCME represents over 38,000 workers across the State of Oregon in both the public and private sectors. Our membership ranges from the professionals and techs at OHSU to the folks working in local governments that carry out essential services. Our mission is to ensure that workers have equal access to compensation for their labor and we believe in economic and social justice for all Oregon workers and their families. One of our priorities is to empower and unite workers to create change in their workplaces and communities.