

Timothy Nangle Senator, District 26

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THE MAINE SENATE 131st Legislature

3 State House Station Augusta, Maine 04333

Testimony of Senator Timothy Nangle introducing LD 1896, "An Act to Index Workers' Compensation Benefits to the Rate of Inflation"

Before the Joint Standing Committee on Labor and Housing May 11, 2023

Senator Tipping, Representative Roeder, and distinguished members of the Joint Standing Committee on Labor and Housing, I am Senator Tim Nangle. I represent Senate District 26, which includes the communities of Windham, Raymond, Casco, Frye Island, and part of Westbrook. Today, I am here to introduce LD 1896, "An Act to Index Workers' Compensation Benefits to the Rate of Inflation."

Inflation is a natural phenomenon that affects all aspects of our economy, including the cost of living for workers. As the prices of goods and services increase over time, the purchasing power of workers' compensation benefits decreases. This silent shrinkage places an undue burden on injured workers, who are often struggling to cope with everyday expenses as their earning capacity is compromised.

LD 1896 proposes a simple yet powerful solution: index workers' compensation benefits to the Consumer Price Index (CPI), a measure compiled by the United States Department of Labor, Bureau of Labor Statistics. This ensures that the real value of these benefits stays constant, providing much-needed stability for our workers when they are most vulnerable.

The benefits of this approach are numerous. For workers, it means that an injury won't lead to a longterm economic setback, in addition to physical pain and suffering. It provides them with the confidence that their benefits will maintain pace with the cost of living, a basic right in a just society.

For employers, the benefits are subtle but equally significant. By maintaining the purchasing power of workers' compensation benefits, we reduce the financial stress on our workforce. This can lead to increased productivity, higher job retention, and potentially lower insurance premiums and administrative costs.

For disabled Mainers, particularly those unable to return to work, the importance of LD 1896 cannot be overstated. Where workers' compensation often serves as their primary or sole source of income, the purchasing power of their benefits becomes a lifeline. When inflation erodes the value of these benefits, it can make the difference between meeting basic needs and facing financial hardship.

This bill seeks to safeguard their ability to afford necessities and maintain a dignified standard of living. It's a critical support for our fellow Mainers navigating life with work-related disabilities, providing them with much-needed financial stability in a world that often presents extra challenges for them. This bill is more than just an adjustment for inflation — it's a testament to our commitment to the well-being of all Mainers, particularly those living with work-related disabilities.



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By creating a more secure and stable workforce, we are making an investment in the future of Maine and its citizens. We're supporting the resilience of our communities and boosting our local economy, creating a win-win situation for all.

In conclusion, LD 1896 is an investment in the people of Maine. It ensures that the financial security promised by workers' compensation isn't eroded by the invisible hand of inflation. It recognizes the dignity and value of our workers, while also acknowledging the pivotal role of businesses in our state's economy.

I urge you to support this bill, to ensure that the Maine Workers' Compensation Act of 1992 remains a relevant and effective tool for supporting our workforce in the face of changing economic realities.

Thank you for your attention and consideration. I'm happy to answer any questions.

Sincerely,

Tim Nargle

Tim Nangle State Senator, Senate District 26 Casco, Frye Island, Raymond, Windham, and part of Westbrook