

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6545
BILL NUMBER: SB 264

NOTE PREPARED: Jan 25, 2024
BILL AMENDED: Jan 25, 2024

SUBJECT: Religious Exemption from Worker's Compensation.

FIRST AUTHOR: Sen. Bassler
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides an exemption from worker's compensation and occupational diseases coverage for a member of certain religious sects or a division of a religious sect who meets certain requirements and obtains a certificate of exemption (certificate) from the Worker's Compensation Board (board). It provides that if certain information about an individual who holds a certificate is no longer true: (1) the individual and the individual's employer must take certain steps; and (2) the certificate is no longer effective. It also makes conforming changes.

Effective Date: July 1, 2024.

Explanation of State Expenditures: *Worker's Compensation Board:* The employee seeking an exemption from worker's compensation based on membership in a religious sect must meet certain requirements and obtain a certificate of exemption from the board. This is within the board's routine functions and should be able to be implemented with current resources.

All Agencies as Employers: The proposal has the potential to reduce state expenditures for workers' compensation payments for state employees; however, the impact is anticipated to be minimal. The state provides a worker's compensation program for all employees as required by IC 22-3-1-1 through 22-3-12-15. To the extent any individual state employee receives a certificate of exemption based on membership in a certain religious sect, the state may receive an exemption for the provision of worker's compensation and occupational diseases coverage and thus provide coverage to fewer employees. *[This bill has the potential to impact all agencies as employers, thus impacting all funds that provide operating funds to agency staff.]*

Additional Information - The Alliance of Health Care Sharing Ministries works with seven out of nine health

care sharing ministries that have a large, nationwide open membership. These ministries provide financial and other supportive services to members, yet they are not insurance. If a member has insurance or worker's compensation coverage that is responsible for coverage, that insurance would pay first. Expenses beyond that are eligible to be shared based on the guidelines of each ministry plan. In 2021, the Alliance reports that 31,839 individuals in Indiana are members of some of the largest health care sharing ministries. It is unknown how many state and local employees are members of these ministries, and/or would seek this exemption.

Explanation of State Revenues:

Explanation of Local Expenditures: *All Units as Employers:* To the extent any individual employee of a local unit receives a certificate of exemption based on membership in a certain religious sect, that unit may receive an exemption for the provision of worker's compensation and occupational diseases coverage and thus provide coverage to fewer employees. The impact is anticipated to be minimal.

Explanation of Local Revenues:

State Agencies Affected: Worker's Compensation Board; All agencies as employers.

Local Agencies Affected: All units as employers.

Information Sources: <http://ahcsm.org/>.

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