Every year, Nebraska workers and families are forced to bear the physical trauma and financial hardship that result from workplace injuries and deaths. Every year, approximately 20,000 Nebraskans are injured on the job, and an additional 50 Nebraskans never came home.

The wise purpose of workers’ compensation

Like all states, Nebraska has a workers’ compensation system designed to support Nebraskans injured on the job with medical and wage support so they can recover and get back to work.

First created in the early 1900s and often described as “the grand bargain,” workers’ compensation creates a tradeoff where workers give up their right to sue an employer for legal claims, like negligence, that might offer larger damages, in exchange for a less litigious system that offers faster and more certain access to medical and wage support after a workplace injury. Employers are spared the large damage awards and costs associated with traditional litigation, and workers have more reliable support after workplace injuries. State law generally requires employers to carry a workers’ compensation insurance policy that is ultimately responsible for covering the cost of a workers’ compensation claim.

How does cutting workers’ compensation support hurt families and taxpayers?

In addition to supporting injured workers as they prepare to return to work, workers’ compensation ensures that employers remain responsible for workplace safety rather than shifting the costs of a workplace injury onto families and taxpayers. Unfortunately, national trends show an erosion of workers’ compensation coverage over the past decade, allowing bad-apple employers to shift the costs of dangerous workplaces to families, communities, taxpayers, and the public. (See the investigative report The Demolition of Workers’ Comp, NPR/ProPublica 2015.)

Workers’ compensation provides an injured worker with two-thirds of their lost wages for a limited period of time. Any bill that reduces the period of time that support is paid ultimately requires a family to rely on their savings, private insurance policies, or other government-funded programs to support themselves as they recover. Even under current law, workers who are totally disabled must rely on Social Security Disability Income, a program funded by taxpayers, to bridge financial gaps between their workers’ compensation support and financial obligations such as buying food, paying rent, and supporting a family. Cutting workers compensation support increases reliance on this tax-payer funded program.

How does Nebraska law lag behind state law in other places?

In many critical ways, Nebraska state law already lags behind the workers’ compensation systems in other states. In 1913, when Nebraska’s workers’ compensation system was created, it is unlikely the drafters of Nebraska’s workers’ compensation act foresaw the detrimental impact inflation would have on the value of an injured worker’s wage loss support. Many other states combat this problem by periodically adjusting wage loss support to guard against inflation. Proposals that cut off wage support compound this problem and are missing an opportunity to update the act to reflect the financial realities faced by injured Nebraskans in 2023. Nebraska also has some of the longest waiting periods in the country before Nebraskans can access support for an on-the-job injury.

A strong workers’ compensation system supports working Nebraskans and a healthy workforce. Eroding workers’ comp allows bad-apple employers to shift the costs of unsafe workplaces onto families and Nebraska taxpayers.