Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 2/2/2026 4:25 PM **ORIGINAL**

Bill Number: HB426E **Patron:** LeVere Bolling
Bill Title: Workers' compensation; employer's offset in event of recovery.

Bill Summary: Amends provisions related to an employer's offset for recovery in certain actions brought under the Virginia Workers' Compensation Act. The bill requires that lifetime medical award benefits and ongoing indemnity award benefits shall remain in full force and effect if the claimant is under such an award at the time that recovery is effected, subject to the employer offset provisions. Under the bill, an employer's credit shall be applied as a continuing, pro rata reduction to benefits otherwise payable under an existing award until the employer's required credit is exhausted. The bill also removes language limiting an employee's entitlement to compensation and expenses for medical, surgical and hospital attention and funeral expenses.

The engrossed bill provides that during the offset period, the claimant may make payment for medical expenses that fall under the medical award, and if so, the employer shall reimburse the claimant's proportionate share of attorney fees and costs on any and all payments made by the claimant as provided in the bill until the employer's credit is exhausted.

Budget Amendment Necessary: No **Items Impacted:** N/A
Explanation: This legislation is not expected to generate a state fiscal impact.

Fiscal Summary: The Virginia Workers' Compensation Commission indicates this engrossed version of this bill will not create a fiscal impact.

Fiscal Analysis: See fiscal summary.

Other: None.