
BUDGET UNIT BRIEF – FY 2021

Fiscal Services Division

July 1, 2020



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Workers' Compensation (DOT) — Road Use Tax Fund

Purpose and History

Iowa's workers' compensation law was enacted by the 35th General Assembly in 1913 Iowa Acts, chapter 147, and is now Iowa Code chapter 85. The Iowa Code requires workers' compensation coverage for injuries sustained in the performance of duties compulsory for all employers in the public sector and many employers in the private sector. Workers' compensation covers all approved medical expenses for treatment of the employee's injuries and lost wages if the employee is incapacitated for work for more than three days.

The Department of Administrative Services (DAS) is charged with administering the State workers' compensation insurance program for State employees (Iowa Code section 8A.457). The DAS is required to assess premiums to all agencies, departments, and divisions of the State for the coverage of benefits extended by Iowa Code chapters 85, 85A, and 85B. The DAS is authorized to contract with a private organization for the management of workers' compensation claims and utilizes a third-party administrator.

State Funding

The Department of Transportation (DOT) receives appropriations from the Road Use Tax Fund (RUTF) and the Primary Road Fund to fund the annual costs of workers' compensation premiums to the DAS. Historically, 96.0% of the total appropriation comes from the RUTF. The DOT appropriation request is based on previously issued premium notices from the DAS. Premiums are based on a five-year rolling average of claims experience for the DOT.

Related Statutes and Administrative Rules

Iowa Code chapters [85](#), [85A](#), and [85B](#)
Iowa Code section [8A.457](#)

Budget Unit Number

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More Information

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