

CHAPTER 6
SETTLEMENTS AND COMMUTATIONS

[Prior to 9/24/86 see Industrial Commissioner[500]]

[Prior to 1/29/97 see Industrial Services Division[343]]

[Prior to 7/29/98 see Industrial Services Division[873]Ch 6]

876—6.1(85,86) Settlements under Iowa Code section 85.35. All proposed settlements shall be submitted to the workers' compensation commissioner for approval. An agreement for settlement pursuant to Iowa Code section 85.35(2) shall be on Form 14-0021. A compromise settlement pursuant to Iowa Code section 85.35(3) shall be on Form 14-0025. A combination settlement pursuant to Iowa Code section 85.35(4) shall be on Form 14-0159. A contingent settlement pursuant to Iowa Code section 85.35(5) shall be on Form 14-0161.

6.1(1) Evidence that a settlement should be approved as required by Iowa Code section 85.35(7) shall accompany the settlement or be incorporated into the settlement forms. It is presumed that the showing required by Iowa Code section 85.35(7) has been made if the claimant is represented by an attorney licensed to practice law in this state.

6.1(2) The documents for a compromise settlement shall identify either the specific date or dates of injury or the specific injurious condition or conditions, or both. The documents for a compromise settlement, including any addendum to the documents, shall not contain any language that either expressly states or implies that the proposed compromise settlement is a final settlement of any and all injuries, known or unknown, that an employee may have sustained while employed by the employer. If a compromise settlement is submitted that does not comply with this subrule, the workers' compensation commissioner shall return the proposed compromise settlement to the party that submitted it.

6.1(3) Approval of a compromise settlement pursuant to Iowa Code section 85.35(3) is a final bar to rights under the Iowa workers' compensation law, and the approved compromise settlement is not subject to review under Iowa Code section 85.26(2).

6.1(4) Nothing in this rule shall prohibit the approval of settlements in other appropriate cases when allowed by Iowa Code section 85.35(7).

This rule is intended to implement Iowa Code section 85.35.
[ARC 3528C, IAB 12/20/17, effective 1/24/18]

876—6.2(85,86) Commutation. The following requirements must be met before a commutation will be considered or granted:

6.2(1) A first report of injury, an acknowledgment of compensability and an updated supplemental claim activity report must be filed.

6.2(2) The commutation forms provided for in 876—6.4(85,86) must be filed.

6.2(3) All doctors' and practitioners' reports relevant to the disability of the claimant involved in the commutation must be attached to the commutation forms.

6.2(4) Claimant's condition as a result of the injury as shown by the medical reports cannot be one which will be expected to deteriorate. When a partial commutation is sought, this subrule shall diminish in importance.

6.2(5) Claimant's condition as a result of the injury shown by the doctors' and practitioners' reports cannot be one which will be expected to require future treatment unless the future treatment is adequately provided for. When a partial commutation is sought, this subrule shall diminish in importance.

6.2(6) A detailed statement of claimant's need or other reason for a lump sum of money must be attached to the application. The analysis shall include disclosure of any attorney fee and case expense amount to be paid from the full commutation. If all parties are represented by an attorney, the parties may waive the statement of need, unless the case involves a dependent who is a minor.

6.2(7) When multiple dependents are involved, a signed stipulation or order of apportionment identifying the proportion of benefits to be received by each dependent shall be attached to the commutation form.

6.2(8) A signed stipulation as to the degree of permanent disability shall be attached to the commutation form.

6.2(9) If all parties are represented by an attorney, a commutation of benefits is presumed to be in the best interests of the claimant.

6.2(10) If all parties are represented by an attorney, the parties may stipulate to the definitely determined period of compensation.

This rule is intended to implement Iowa Code sections 85.45 and 85.47.
[ARC 3528C, IAB 12/20/17, effective 1/24/18; ARC 6841C, IAB 2/8/23, effective 3/15/23]

876—6.3(85,86) Commutation tables. The following tables are to be used in determining the sum to be paid in appropriate commutation proceedings. Nothing in this rule is to prevent waiver of the discount in subrule 6.3(2) by the employer or insurance carrier.

6.3(1) Life expectancy table. The life expectancy is determined by taking the age of the person, set forth in the “age” column and comparing it to the “weeks” column, which indicates the weeks an individual at the age indicated will be expected to continue to live.

LIFE EXPECTANCY TABLE

AGE	WEEKS	AGE	WEEKS	AGE	WEEKS
0-1	4020	34-35	2335	68-69	832
1-2	3994	35-36	2288	69-70	801
2-3	3942	36-37	2236	70-71	764
3-4	3895	37-38	2189	71-72	728
4-5	3843	38-39	2142	72-73	697
5-6	3791	39-40	2090	73-74	666
6-7	3739	40-41	2044	74-75	629
7-8	3687	41-42	1997	75-76	598
8-9	3635	42-43	1950	76-77	572
9-10	3583	43-44	1903	77-78	541
10-11	3531	44-45	1856	78-79	510
11-12	3484	45-46	1810	79-80	484
12-13	3432	46-47	1763	80-81	458
13-14	3380	47-48	1716	81-82	432
14-15	3328	48-49	1669	82-83	406
15-16	3276	49-50	1622	83-84	385
16-17	3224	50-51	1576	84-85	359
17-18	3177	51-52	1534	85-86	338
18-19	3125	52-53	1487	86-87	317
19-20	3078	53-54	1446	87-88	302
20-21	3026	54-55	1399	88-89	281
21-22	2980	55-56	1357	89-90	265
22-23	2928	56-57	1310	90-91	250
23-24	2881	57-58	1269	91-92	234
24-25	2829	58-59	1227	92-93	224
25-26	2782	59-60	1186	93-94	208
26-27	2730	60-61	1144	94-95	198
27-28	2683	61-62	1102	95-96	187

AGE	WEEKS	AGE	WEEKS	AGE	WEEKS
28-29	2631	62-63	1061	96-97	177
29-30	2584	63-64	1024	97-98	166
30-31	2532	64-65	983	98-99	156
31-32	2486	65-66	946	99-100	151
32-33	2434	66-67	910	100+	140
33-34	2387	67-68	868		

6.3(2) Discount. When an original notice and petition for commutation of remaining future weekly benefits, either full or partial, is filed, the remaining future weekly benefits may be commuted to present dollar value. If the remaining future weekly benefits are converted to a present dollar value, the present dollar value shall be determined as provided in this subrule. A discount will be used to convert the value of remaining future weekly benefits to present dollar value. The discount will be based on a compound interest rate calculated pursuant to Iowa Code section 668.13(3) and in effect on the date informal agreement between the parties is reached for commutation and the number of weeks of remaining future benefits. The interest rate used to determine the discount shall be specified on the original notice and petition for commutation filed for approval by the workers' compensation commissioner.

6.3(3) Life expectancy and remarriage probability table. This table expresses in weeks the combined probability of life expectancy and remarriage. The column on the left indicates the age of the surviving spouse at the time of the work-related death. Columns A through E indicate, respectively, the first through fifth years following the date of death that the surviving spouse remains unmarried. For example, if the date of death was July 1, 2005, and the surviving spouse was age 20 at the time of the decedent's death, a commutation sought on the second anniversary of the death, July 2, 2007, would result in an expected duration of 550.02 weeks, the amount found in Column B which indicates the second year of unmarried status following age 20. Following the second anniversary of the date of death and including the third anniversary, Table C would be applicable. Begin in the left-hand column in the line indicating the age at *date of death*—not the age at which a commutation is sought. Then move to the column which is indicative of the number of years the surviving spouse has remained unmarried.

A surviving spouse, 20 years old on the date of the decedent's death who seeks a commutation after the fifth anniversary of the date of death, would use Table F. The fact that the surviving spouse has remained unmarried for over five years negates use of Columns A through E. A commutation sought during the fifth year of remaining unmarried would result in an expected duration of 1031.64 weeks. For example, if the surviving spouse, who was 20 years old on the date of the decedent's death, is 30 years old at the time a commutation is sought and seeks a commutation *after* the tenth anniversary of the date of death, start in Column F in line 20 at the age column. For each year beyond the sixth anniversary of the death, move *down* Column F one line for each year. [Note the left-hand age column plays no part at this point.] In this example, the 30-year-old surviving spouse who seeks a commutation after the tenth anniversary of the date of death would have an expected duration of 1247.07 weeks.

EXPECTED DURATION OF LIFE AND REMARRIAGE IN WEEKS

AGE	A	B	C	D	E	F
19	452.18	505.55	640.75	788.27	905.44	993.12
20	495.82	550.02	683.69	828.42	943.01	1031.64
21	541.23	596.18	729.80	868.87	982.17	1071.64
22	589.23	646.05	776.66	911.67	1023.48	1115.36
23	640.88	696.92	825.34	956.43	1068.72	1157.99
24	693.76	749.90	875.77	1005.20	1113.34	1200.77
25	748.61	804.49	929.45	1053.51	1158.36	1247.07
26	804.72	861.90	982.20	1102.07	1206.94	1290.45

AGE	A	B	C	D	E	F
27	863.24	917.91	1034.48	1153.43	1252.42	1332.79
28	919.92	972.96	1089.02	1201.54	1296.56	1376.65
29	975.76	1029.70	1140.04	1248.06	1342.09	1415.27
30	1034.13	1083.96	1190.18	1296.47	1382.06	1450.83
31	1087.87	1135.18	1239.43	1337.76	1419.17	1482.26
32	1140.84	1187.76	1283.95	1376.65	1452.19	1514.63
33	1195.00	1235.69	1325.54	1411.36	1486.03	1539.38
34	1244.19	1281.06	1363.39	1447.25	1512.62	1560.28
35	1290.62	1322.51	1402.06	1475.89	1535.47	1577.36
36	1333.45	1365.12	1433.98	1501.08	1554.46	1590.73
37	1377.93	1401.32	1462.76	1522.96	1570.28	1595.37
38	1414.42	1432.95	1486.92	1540.28	1575.74	1600.95
39	1447.51	1460.93	1507.65	1548.65	1583.08	1603.12
40	1476.55	1484.88	1519.19	1558.50	1586.74	1601.68
41	1501.23	1499.62	1531.97	1564.58	1586.80	1590.32
42	1517.04	1515.76	1541.35	1567.27	1577.19	1581.72
43	1533.81	1528.55	1547.54	1560.49	1570.28	1564.36
44	1546.84	1537.33	1543.96	1556.10	1554.65	1543.01
45	1556.54	1537.28	1543.60	1543.67	1534.98	1519.60
46	1555.21	1538.43	1533.33	1526.06	1512.93	1499.07
47	1556.30	1530.44	1518.64	1506.46	1493.84	1463.67
48	1547.08	1517.04	1500.92	1489.22	1459.61	1432.74
49	1532.42	1499.98	1484.71	1456.21	1429.75	1399.10
50	1514.59	1485.36	1453.56	1427.91	1396.88	1364.95
51	1496.96	1453.45	1424.86	1395.28	1363.33	1322.96
52	1464.50	1426.08	1393.79	1362.79	1321.79	1286.44
53	1433.32	1393.23	1359.71	1320.40	1285.68	1242.63
54	1401.59	1361.60	1319.99	1285.81	1242.14	1199.73
55	1367.01	1320.16	1283.74	1241.95	1199.37	1155.90
56	1324.97	1284.38	1240.69	1199.62	1155.55	1111.53
57	1286.93	1239.69	1196.89	1154.69	1110.98	1070.85
58	1243.31	1197.46	1153.84	1111.07	1070.21	1025.48
59	1200.31	1153.99	1109.49	1069.88	1024.57	986.90
60	1156.15	1109.74	1069.03	1024.18	985.85	944.55
61	1111.72	1069.39	1023.90	985.32	943.26	902.07
62	1052.14	1009.56	976.00	938.77	899.17	866.59
63	1010.13	974.17	936.60	898.84	866.01	822.92
64	975.20	935.34	897.28	866.19	822.35	786.37
65	935.81	895.62	864.23	822.48	785.91	752.62
66	896.90	863.56	821.55	786.69	752.25	713.35
67	864.14	820.43	785.30	752.93	712.94	681.47
68	821.01	784.34	751.79	713.70	681.08	645.13
69	784.83	750.98	712.72	681.88	644.76	610.80
70	751.92	712.57	681.58	646.12	610.45	578.30
71	712.75	680.79	645.24	611.61	577.91	547.80

AGE	A	B	C	D	E	F
72	681.26	644.91	611.27	579.40	547.43	513.50
73	645.03	610.64	578.74	548.89	513.25	486.97
74	610.85	578.30	548.43	514.74	486.74	455.68
75	578.57	548.13	514.38	488.35	455.51	428.23
76	548.68	514.51	488.51	457.72	428.11	397.70
77	514.31	487.93	457.11	430.12	397.62	374.66
78	487.92	456.77	429.75	411.41	374.60	348.88
79	457.82	430.58	400.47	377.94	348.85	324.95
80	428.23	397.79	375.01	349.47	324.92	298.01
81	400.21	377.46	352.11	328.63	298.01	286.57
82	376.27	350.69	327.08	300.46	286.57	271.47
83	350.54	326.80	300.18	289.12	271.47	259.15
84	326.67	299.90	288.84	274.06	259.15	249.81
85	299.74	288.56	273.74	261.78	249.81	249.60

This rule is intended to implement Iowa Code sections 85.45 and 85.47.
 [ARC 6841C, IAB 2/8/23, effective 3/15/23]

876—6.4(85,86) Forms for commutation. Form No. 9 (14-0013) shall be used for a full commutation. Form No. 9A (14-0017) shall be used for a partial commutation. See rule 876—3.1(17A) for description of these forms.

This rule is intended to implement Iowa Code sections 85.45 and 85.47.

876—6.5(85) Statement of awareness. When a petition for settlement under Iowa Code section 85.35(3) or commutation is submitted, it shall contain or be accompanied by a verified statement from the injured employee indicating awareness that, upon approval by the workers' compensation commissioner of the settlement or commutation, a final bar to future claims or benefits under the Iowa workers' compensation law for such injury shall exist except as specifically reserved in any agreement.

This rule is intended to implement Iowa Code sections 85.35, 85.45, and 85.47.
 [ARC 3528C, IAB 12/20/17, effective 1/24/18]

876—6.6(86) Twenty-page limitation. Unless otherwise ordered by the workers' compensation commissioner or deputy workers' compensation commissioner, an application for approval of a settlement or an original notice and petition for approval of a commutation or partial commutation shall not be accepted for filing if accompanied by documentation in excess of 20 pages. An order approving a settlement or an original notice and petition for commutation or partial commutation accompanied by documentary evidence in excess of 20 pages is nevertheless valid, and is neither void nor voidable.

This rule is intended to implement Iowa Code sections 85.35, 85.47, 86.13 and 86.27.

876—6.7(85,86) Claimant statement. When the claimant is not represented by counsel, a claimant's statement on Form 14-0163, which the claimant has personally completed, certified and signed, must be submitted with all settlement and commutation forms and documents.

This rule is intended to implement Iowa Code sections 85.35 and 86.8.
 [ARC 3528C, IAB 12/20/17, effective 1/24/18]

876—6.8(85,86) Failure to timely file settlement. If a party notifies the workers' compensation commissioner that a matter scheduled for a hearing has been settled and the matter is removed from the hearing schedule, the proposed settlement shall be filed with the workers' compensation commissioner within 60 days of the notification. A party may, within 60 days of the notification, request an extension of time to file the settlement documents. If the settlement documents are not timely filed, the matter will be reassigned for hearing in Des Moines at a date determined by the workers' compensation

commissioner and the parties cannot request that the matter be rescheduled. Any matter rescheduled because settlement documents were not timely filed shall not again be removed from the hearing schedule because a party notifies the workers' compensation commissioner of a settlement.

This rule is intended to implement Iowa Code sections 85.35, 85.47, 85.48, 86.8, 86.13 and 86.27.
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