

85.45 Commutation.

1. Future payments of compensation may be commuted to a present worth lump sum payment only upon application of a party to the commissioner and upon written consent of all parties to the proposed commutation or partial commutation, and on the following conditions:

- a. When the period during which compensation is payable can be definitely determined.
- b. When it shall be shown to the satisfaction of the workers' compensation commissioner that such commutation will be for the best interest of the person or persons entitled to the compensation, or that periodical payments as compared with a lump sum payment will entail undue expense, hardship, or inconvenience upon the employer liable therefor.
- c. When the recipient of commuted benefits is a minor employee, the workers' compensation commissioner may order that such benefits be paid to a trustee as provided in [section 85.49](#).
- d. When a person seeking a commutation is a surviving spouse, an employee with a permanent and total disability, or a dependent who is entitled to benefits as provided in [section 85.31, subsection 1](#), paragraph "a", subparagraphs (3) and (4), the future payments which may be commuted shall not exceed the number of weeks which shall be indicated by probability tables designated by the workers' compensation commissioner for death and remarriage, subject to the provisions of [chapter 17A](#).

2. Future payments of compensation shall not be commuted to a present worth lump sum payment when the employee is an inmate as set forth in [section 85.59](#).

3. The parties to any commutation or partial commutation of future payments agreed to and ordered pursuant to [this section](#) may agree that the employee has the right to benefits pursuant to [section 85.27](#) under such terms and conditions as agreed to by the parties, for a specified period of time after the commutation or partial commutation agreement has been ordered by the workers' compensation commissioner. During that specified period of time, the commissioner shall have jurisdiction of the commutation or partial commutation agreement for the purpose of adjudicating the employee's entitlement to benefits provided for in [section 85.27](#) as provided in the agreement.

4. When commuting future payments pursuant to [this section](#), if the claim for workers' compensation benefits was related to an injury that resulted in the injured worker needing a medically necessary permanent prosthetic device or an alteration of an existing medically necessary permanent prosthetic device, a portion of the lump sum payment must be designated for the purpose of covering the estimated cost of repair or replacement of the permanent prosthetic device. Moneys identified pursuant to [this subsection](#) shall be paid to the treasurer of state as custodian of the second injury fund for administration pursuant to [section 85.65, subsection 2, section 85.66, and section 85.67A](#).

[S13, §2477-m14; C24, 27, 31, 35, 39, §1405; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §85.45]

[96 Acts, ch 1129, §19; 98 Acts, ch 1061, §11; 2008 Acts, ch 1032, §171; 2017 Acts, ch 23, §16, 17, 24; 2022 Acts, ch 1128, §4](#)

Referred to in [§85.65, 87.11, 515B.5](#)