

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 743 - Workers' Compensation, Permanent Partial Disability (LSB 1821 YC)
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Fiscal Note Version - New

Description

House File 743 changes the Workers' Compensation laws to specify that for purposes of Workers' Compensation, a scheduled injury resulting in permanent partial disability (PPD), that also results in a reduction in earning capacity greater than the weeks compensated in the schedule for that injury, shall be compensated in the same way as an unscheduled injury that results in PPD. The compensation will instead be paid during the number of weeks, in relation to 500 weeks, as the reduction in the employee's earning capacity caused by the disability, bears in relation to the earning capacity that the employee possessed when the injury occurred.

Fiscal Impact

Sufficient information is not available to determine the fiscal impact of the Bill without an actuarial study. The Department of Administrative Services indicates that, while the Department, and the Workers' Compensation Third-Party Administrator, believe the legislation creates a substantial increase in costs and administrative burden for all employers, an actuarial study would be necessary to determine the actual cost impact of this change to Workers' Compensation legislation. The Department further indicates that such a study is not within the Department's budget. Therefore, the fiscal impact is undetermined at this time.

Sources

Department of Administrative Services
Iowa Department of Workforce Development

/s/ Holly M. Lyons

March 12, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
