

# Budget Unit Brief

## FY 2017



## Workers' Compensation Second Injury Fund

### Purpose and History

The Second Injury Fund is established in Iowa Code chapter [85](#). Iowa Code sections 85.63 through 85.69 are known as the Second Injury Compensation Act. This Act states that when a worker with a prior injury suffers a work-related second injury, the injured worker is to be compensated by the employer for the second injury as if there were no prior injury. The Second Injury Fund compensates the worker for the additional disability of the combined effect of the two injuries. The benefits are limited to the value of that permanent disability that exceeds the value of the two affected members separately. The benefits are not payable until after the employer, or insurance carrier, has completed payment of benefits for the second permanent partial disability. The original injury does not have to be work-related to qualify for these benefits.

Compensation may be available through the Second Injury Fund if a worker has suffered a Permanent Partial Disability (PPD) and then sustains another PPD. When victims suffer an injury to their hand, foot, arm, leg, or eye (scheduled injuries) and they have already suffered some sort of injury or disability to these body parts in the past, they may seek payment through the Second Injury Fund. A scheduled injury is a partially disabling injury for which compensation has been predetermined under a Workers' Compensation statute.

Additionally, Second Injury Fund benefits do not negate or override existing Iowa workers' compensation benefits. A victim is first entitled to the benefits for their scheduled injury (for example, a loss of leg may entitle the worker to 220 weeks of benefits); then, the worker can also be due benefits from the Second Injury Fund, in addition.

Victims can seek compensation for up to 500 weeks for an injury through the Second Injury Fund. These benefits are not payable until general Iowa workers' compensation benefits for the second injury have been completed and paid.

The Second Injury Fund also provides benefits in the event that a second injury to an arm, leg, eye, hand, or foot leads to or causes the victim's death. When this happens, the Fund pays \$12,000 to \$45,000 to the designator survivor(s), depending on whether the deceased had dependents or not. Funds for death benefit payments are received from the employer's insurance company. The employer's insurance company pays a fee when an individual is killed on the job in Iowa.

### Related Statutes and Administrative Rules

Iowa Code chapter [85](#)

[781](#) Iowa Administrative Code

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### More Information

Iowa Workers' Compensation Division: <http://www.iowaworkforce.org/wc/>

Iowa General Assembly: <https://www.legis.iowa.gov/index.aspx>

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