

Sen. BUS & Labor Rel.
DU PASS 3-29-89 (p. 1065)

Oil Printing

MAR 17 1989

HOUSE FILE 655

Place On Calendar

BY COMMITTEE ON LABOR AND
INDUSTRIAL RELATIONS

(SUCCESSOR TO HSB 332)

Passed House, Date 3-22-89 (p. 98) Passed Senate, Date _____
Vote: Ayes 92 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the second injury fund, by increasing payments
2 to the fund in event of a job-related death, and providing an
3 effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

5

6

I

HOUSE FILE 655

H-3511

1 Amend House File 655 as follows:

2 1. Page 1, line 8, by striking the word "twenty"

3 and inserting the following: "fifteen".

By OLLIE of Clinton

H-3511 FILED MARCH 21, 1989

adopted 3-22-89 (p. 98)

12

13

14

15

16

17

18

19

20

21

22

23

1 Section 1. Section 85.65, Code 1989, is amended to read as
2 follows:

3 85.65 PAYMENTS TO SECOND INJURY FUND.

4 The employer, or, if insured, the insurance carrier in each
5 case of compensable injury causing death, shall pay to the
6 treasurer of state for the second injury fund the sum of two
7 four thousand dollars in a case where there are dependents and

Bill -8 five twenty thousand dollars in a case where there are no
9 dependents. The payment shall be made at the time
10 compensation payments are begun, or at the time the burial
11 expenses are paid in a case where there are no dependents.
12 However, the payments shall be required only in cases of
13 injury resulting in death coming within the purview of this
14 chapter and occurring after July 1, 1978. These payments
15 shall be in addition to any payments of compensation to
16 injured employees or their dependents, or of burial expenses
17 as provided in this chapter.

18 Sec. 2. This Act, being deemed of immediate importance,
19 takes effect upon enactment.

20 EXPLANATION

21 This bill increases the assessments for payment to the
22 second injury fund in the event of a death of an employee on
23 the job. The payment to the fund is increased from two
24 thousand to four thousand dollars in a case where there are
25 dependents of the decedent. The payment to the fund is
26 increased from five thousand to twenty thousand dollars in a
27 case where there are no dependents. The increase is to
28 maintain the solvency of the second injury fund in response to
29 several recent and pending awards.

30 To the extent that a political subdivision is an employer,
31 the bill establishes a state mandate as defined in section
32 25B.3.

33
34
35

HOUSE FILE 655
FISCAL NOTE

A fiscal note for HOUSE FILE 655 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 655 increases the assessments for payment to the Second Injury Fund in the event of a death of an employee on the job. The payment to the fund is increased from \$2,000 to \$4,000 in a case where there are dependents of the decedent. The payment to the fund is increased from \$5,000 to \$15,000 in a case where there are no dependents. The increase is to maintain the solvency of the Second Injury Fund in response to several recent and pending awards.

The Second Injury Compensation Act specifies the amounts employers contribute to the Second Injury Fund, which is managed by the Treasurer. The Treasurer collects the contributions from employers when the Fund falls below \$300,000 and ceases collection when the Fund exceeds \$500,000.

FISCAL EFFECT:

Under current funding practices, the Second Injury Fund is projected to have a shortfall of \$49,363 in FY 1989 and \$418,063 in FY 1990. The changes proposed in House File 655 are projected to result in a balance of \$10,637 in FY 1989 and a shortfall of \$69,063 in FY 1990. The Second Injury Compensation Act does not indicate that the State is liable for a shortfall in the Second Injury Fund, so some persons eligible for benefits from this fund would not receive \$69,063 in benefits in FY 1990. Cost projections further into the future need to be done through an actuarial study.

Source: Department of Employment Services
Office of the Treasurer

(LSB 262lhv, MDF)

FILED APRIL 6, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 655
BY COMMITTEE ON LABOR AND
INDUSTRIAL RELATIONS

(SUCCESSOR TO HSB 332)

(As Amended and Passed by the House March 22, 1989)

Passed House, Date 3/22/89 (p. 938) Passed Senate, Date 4-10-89 (p. 1284)
Vote: Ayes 92 Nays 0 Vote: Ayes 48 Nays 0
Approved 4-20-89 (p. 1777)

A BILL FOR

1 An Act relating to the second injury fund, by increasing payments
2 to the fund in event of a job-related death, and providing an
3 effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21

House Amendments _____

1 Section 1. Section 85.65, Code 1989, is amended to read as
2 follows:

3 85.65 PAYMENTS TO SECOND INJURY FUND.

4 The employer, or, if insured, the insurance carrier in each
5 case of compensable injury causing death, shall pay to the
6 treasurer of state for the second injury fund the sum of ~~two~~
7 four thousand dollars in a case where there are dependents and
8 ~~five~~ fifteen thousand dollars in a case where there are no
9 dependents. The payment shall be made at the time
10 compensation payments are begun, or at the time the burial
11 expenses are paid in a case where there are no dependents.
12 However, the payments shall be required only in cases of
13 injury resulting in death coming within the purview of this
14 chapter and occurring after July 1, 1978. These payments
15 shall be in addition to any payments of compensation to
16 injured employees or their dependents, or of burial expenses
17 as provided in this chapter.

18 Sec. 2. This Act, being deemed of immediate importance,
19 takes effect upon enactment.

20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

LABOR & INDUSTRIAL RELATIONS

Handwritten mark

HOUSE FILE 655

BY (PROPOSED COMMITTEE ON
LABOR AND INDUSTRY BILL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the second injury fund, by increasing payments
2 to the fund in event of a job-related death, and providing an
3 effective date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

1 Section 1. Section 85.65, Code 1989, is amended to read as
2 follows:

3 85.65 PAYMENTS TO SECOND INJURY FUND.

4 The employer, or, if insured, the insurance carrier in each
5 case of compensable injury causing death, shall pay to the
6 treasurer of state for the second injury fund the sum of two
7 four thousand dollars in a case where there are dependents and
8 five twenty thousand dollars in a case where there are no
9 dependents. The payment shall be made at the time
10 compensation payments are begun, or at the time the burial
11 expenses are paid in a case where there are no dependents.
12 However, the payments shall be required only in cases of
13 injury resulting in death coming within the purview of this
14 chapter and occurring after July 1, 1978. These payments
15 shall be in addition to any payments of compensation to
16 injured employees or their dependents, or of burial expenses
17 as provided in this chapter.

18 Sec. 2. This Act, being deemed of immediate importance,
19 takes effect upon enactment.

20 EXPLANATION

21 This bill increases the assessments for payment to the
22 second injury fund in the event of a death of an employee on
23 the job. The payment to the fund is increased from two
24 thousand to four thousand dollars in a case where there are
25 dependents of the decedent. The payment to the fund is
26 increased from five thousand to twenty thousand dollars in a
27 case where there are no dependents. The increase is to
28 maintain the solvency of the second injury fund in response to
29 several recent and pending awards.

30 To the extent that a political subdivision is an employer,
31 the bill establishes a state mandate as defined in section
32 25B.3.

33
34
35

Sec. 2. This Act, being deemed of immediate importance, takes effect upon enactment.

HOUSE FILE 655

AN ACT
RELATING TO THE SECOND INJURY FUND, BY INCREASING PAYMENTS
TO THE FUND IN EVENT OF A JOB-RELATED DEATH, AND PROVIDING
AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 85.65, Code 1989, is amended to read as follows:

85.65 PAYMENTS TO SECOND INJURY FUND.

The employer, or, if insured, the insurance carrier in each case of compensable injury causing death, shall pay to the treasurer of state for the second injury fund the sum of two four thousand dollars in a case where there are dependents and five fifteen thousand dollars in a case where there are no dependents. The payment shall be made at the time compensation payments are begun, or at the time the burial expenses are paid in a case where there are no dependents. However, the payments shall be required only in cases of injury resulting in death coming within the purview of this chapter and occurring after July 1, 1978. These payments shall be in addition to any payments of compensation to injured employees or their dependents, or of burial expenses as provided in this chapter.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 655, Seventy-third General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved 4/20, 1989

TERRY E. BRANSTAD
Governor