

House File 523 - Introduced

HOUSE FILE 523

BY COMMITTEE ON LABOR

(SUCCESSOR TO HF 215)

A BILL FOR

- 1 An Act relating to employer credits for overpayments of weekly
- 2 workers' compensation benefits.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 85.34, subsection 4, Code 2011, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

4 4. *Credits for excess payments.*

5 a. If an employee is paid any weekly benefits in excess of
6 that required by this chapter and chapters 85A, 85B, and 86,
7 the excess paid by the employer shall be credited against the
8 liability of the employer as follows:

9 (1) The excess payments shall first be credited against the
10 liability of the employer for any weekly benefits, interest, or
11 penalty benefits owed or awarded to the employee for the same
12 injury.

13 (2) Any remaining excess payments shall be credited against
14 the liability of the same employer for any weekly benefits,
15 interest, or penalty benefits owed or awarded for a subsequent
16 injury to the same employee. An overpayment credit to be
17 applied to a subsequent injury can be established only when the
18 overpayment is recognized pursuant to any of the following:

19 (a) A settlement agreement approved by the commissioner
20 under section 85.35, subsection 2, 4, or 5 or section 86.13.

21 (b) Final agency action in a contested case which was
22 commenced within three years from the date that weekly benefits
23 were last paid for the claim for which the benefits were
24 overpaid.

25 (c) Final agency action in a contested case for a prior
26 injury to the same employee.

27 b. For the purposes of this subsection, "*weekly benefits*"
28 shall include weekly compensation benefits of any kind paid or
29 owed by an employer for any of the following:

30 (1) Temporary partial or temporary total disability
31 benefits under section 85.33.

32 (2) Healing period benefits under this section.

33 (3) Permanent partial or permanent total disability
34 benefits under this section.

35 (4) Death benefits to the employee's surviving spouse,

1 children, or other dependents under section 85.31, 85.42,
2 85.43, or 85.44.

3 (5) Temporary or permanent disability benefits for
4 occupational diseases under chapter 85A.

5 (6) Disability benefits for partial or total occupational
6 hearing loss under chapter 85B.

7 Sec. 2. Section 85.34, subsection 5, Code 2011, is amended
8 by striking the subsection.

9 EXPLANATION

10 This bill amends Code section 85.34 to expand the
11 circumstances under which an employer can receive credit for
12 overpayment of certain weekly workers' compensation benefits.
13 Currently, if an employee is overpaid weekly workers'
14 compensation benefits, the excess paid by the employer is
15 credited against the liability of the employer for any future
16 weekly permanent partial disability benefits due from that
17 employer for a subsequent injury to the same employee.

18 The bill provides that if an employee is paid any excess
19 weekly benefits, the employer is entitled to a credit against
20 the liability of the employer for any weekly benefits,
21 interest, or penalty benefits owed or awarded to the employee
22 for the same injury. Any remaining excess payments are then
23 credited against the liability of the same employer for any
24 weekly benefits, interest, or penalty benefits owed or awarded
25 for a subsequent injury to the same employee as long as the
26 overpayment is recognized in a settlement agreement approved
27 by the commissioner, or is recognized pursuant to final agency
28 action in a contested case, as specified in the bill.