
BUDGET UNIT BRIEF – FY 2023

Fiscal Services Division

July 1, 2022



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Workers' Compensation (DOT) — Primary Road Fund

Purpose and History

Iowa's workers' compensation law was enacted by the 35th General Assembly in 1913 Iowa Acts, chapter [147](#), and is now Iowa Code chapter [85](#). The Iowa Code requires workers' compensation coverage for injuries sustained in the performance of duties compulsory for all employers in the public sector and many employers in the private sector. Workers' compensation covers all approved medical expenses for treatment of the employee's injuries and lost wages if the employee is incapacitated for work for more than three days.

The Department of Administrative Services (DAS) is charged with administering the State workers' compensation insurance program for State employees (Iowa Code section [8A.457](#)). The DAS is required to assess premiums to all agencies, departments, and divisions of the State for the coverage of benefits extended by Iowa Code chapters 85, [85A](#), and [85B](#). The DAS is authorized to contract with a private organization for the management of workers' compensation claims and utilizes a third-party administrator.

State Funding

The Department of Transportation (DOT) receives appropriations from the Road Use Tax Fund and the Primary Road Fund (PRF) to fund the annual costs of workers' compensation premiums to the DAS. Historically, 4.0% of the total appropriation comes from the PRF. The fee assessed to each department is based upon actual claim history, a pro rata share of administrative charges, and a pro rata share of attorney general expenses.

Related Statutes and Administrative Rules

Iowa Code chapters [85](#), [85A](#), and [85B](#)

Iowa Code section [8A.457](#)

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More Information

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