

1 S.21

2 Introduced by Senators Campbell and Illuzzi

3 Referred to Committee on

4 Date:

5 Subject: Labor; workers' compensation; late fee

6 Statement of purpose: This bill proposes to penalize workers' compensation
7 insurers with a late fee for failure to pay workers' compensation benefits when
8 they are due and owed.

9 An act relating to a fee for late payment of workers' compensation benefits

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 21 V.S.A. § 650(e) is amended to read:

12 (e) If weekly compensation benefits or weekly accrued benefits are not paid
13 within 21 days after becoming due and payable pursuant to an order of the
14 commissioner, or in cases in which the overdue benefit is not in dispute, a late
15 fee of \$150.00 or ten percent of the overdue amount, whichever is larger, shall
16 be added and paid to the employee, in addition to interest and any other
17 penalties. In the case of an initial claim, benefits are due and payable upon
18 entering into an agreement pursuant to subsection 662(a) of this title, upon
19 issuance of an order of the commissioner pursuant to subsection 662(b) of this
20 title, or if the employer has not denied the claim within 21 days after the claim

1 is filed. Benefits are in dispute if the claimant has been provided actual written
2 notice of the dispute within 21 days of the benefit being due and payable and
3 the evidence reasonably supports the denial. Interest shall accrue and be paid
4 on benefits that are found to be compensable during the period of nonpayment.
5 The commissioner shall promptly review requests for payment under this
6 section and, consistent with the criteria in department rule 10.13, shall allow
7 for the recovery of reasonable attorney fees associated with an employee's
8 successful request for payment under this subsection.