

# MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION

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ONE HUNDRED AND SIXTH LEGISLATURE

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Legislative Document

No. 2544

H. P. 1995

House of Representatives, February 28, 1974

Referred to the Committee on Labor. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. McTeague of Brunswick.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FOUR

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**AN ACT** Relating to the Commutation of Payments in  
Workmen's Compensation Law.

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Be it enacted by the People of the State of Maine, as follows:

R. S., T. 39, § 71, repealed and replaced. Section 71 of Title 39 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 71. Lump-sum payments

In any case where compensation is being paid or is claimed on account of an injury or death, either the employer, or the employee or his dependents, may petition the commission for an order commuting all payments on account of such injury or death that may become due in the future, to a lump sum. Such petition may be granted where it is shown to the satisfaction of the commission that the payment of a lump sum in lieu of future weekly payments, or as an agreed compromise settlement of a disputed claim, will be for the best interests of the person or persons receiving or claiming such compensation, or that the continuance of weekly payments will, as compared with a lump sum payment, entail undue expense or hardship upon the employer liable therefor, or that the person entitled to compensation has removed or is about to remove from the United States. Where such commutation is ordered, the commission shall fix the lump sum payment equal to the present value of future compensation payments commuted, computed at 5% discount less 3% for an assumed increase in the average annual wage in covered employment, compounded annually, or computed at 2% discount compounded annually. The probability of the death of the injured employee or

other person entitled to compensation shall be determined in accordance with current standard tables of mortality, and the probability of the remarriage of the surviving wife shall be determined in accordance with the remarriage tables of the Dutch Royal Insurance Institution. The probability of the happening of any other contingency affecting the amount or duration of the compensation shall be disregarded.

Upon payment of any lump sum approved by the commission, the employer shall be discharged from all further liability on account of said injury or death and be entitled to a duly executed release; upon filing which, or other due proof of payment, the liability of such employer under any agreement, award or decree shall be discharged of record, and the employee accepting the lump sum settlement shall receive no further compensation or other benefits on account of said injury or death under this Act.

#### STATEMENT OF FACT

This Act conforms the commutation of benefits clause of the Workmen's Compensation Laws to the benefits previously made in the law and to the recommendations of the National Commission on State Workmen's Compensation laws.