

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 1047

H. P. 878 House of Representatives, February 26, 1981  
Referred to the Committee on Labor. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Cunningham of New Gloucester.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

**AN ACT to Revise the Method for Paying Permanent Impairment Benefits under the Workers' Compensation Act.**

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

**Sec. 1. 39 MRSA § 56, first sentence**, as amended by PL 1979, c. 541, Pt. A, § 279, is further amended to read:

In addition to the benefits provided for in sections 54 and 55, when an employee sustains an injury which is included in the following schedule, the incapacity in each case shall be deemed to be total for the period specified and the injured employee shall receive a ~~lump sum payment benefit~~ **benefit for said the injury, payable in accordance with section 56-B**, which shall be determined by multiplying the amount to which he would be entitled weekly for total incapacity as determined under section 54 by the period of presumed total incapacity set forth in this section.

**Sec. 2. 39 MRSA § 56-A, first sentence**, as enacted by PL 1971, c. 465, § 1, is amended to read:

In addition to the benefits provided for in sections 54 and 55, when an employee sustains an injury which is included in the following schedule, the incapacity in each case shall be deemed to be total for the period specified and the injured employee shall receive a ~~lump sum payment benefit~~ **benefit for said the injury, payable in accordance with section 56-B**, which shall be determined by multiplying the

amount to which he should be entitled weekly for total incapacity as determined under section 54 by the period of presumed total incapacity set forth in this section.

Sec. 3. 39 MRSA § 56-B is enacted to read:

**§ 56-B. Method of paying permanent impairment benefits**

Compensation for impairment under sections 56 and 56-A shall not be payable prior to the date on which the injured employee reaches the state of maximum medical improvement. For the purpose of this section, "maximum medical improvement" means the date after which further recovery and further restoration of function can no longer reasonably be anticipated based upon reasonable medical probability.

In cases in which the injured employee returns to work within 6 weeks from the date of maximum medical improvement, the benefits provided in section 56 or 56-A, whichever is applicable, shall be paid in a lump sum upon the employee's return to work and upon cessation of any compensation under section 54 and 55.

In cases in which the injured employee does not return to work within 6 weeks from the date of maximum medical improvement, the benefits provided in section 56 or 56-A, whichever is applicable, shall be paid in installments according to the following schedule: 20% of the amount due after one year from the date of maximum medical improvement; 20% after 2 years; 20% after 3 years; 20% after 4 years; and 20% after 5 years. If the injured employee returns to work at any time after the 6-week period, any and all payments remaining shall be paid in a lump sum upon the employee's return to work and upon cessation of any compensation under sections 54 and 55.

STATEMENT OF FACT

This bill implements one of the recommendations of the Blaine House Conference on Small Business.

Under the present workers' compensation statute, an employee who sustains a permanent impairment as a result of an occupational injury receives both compensation for lost wages and a substantial lump sum payment for permanent impairment. With the high benefit levels which exist in this State, this combination of benefits often serves as a disincentive to return to work.

The purpose of this bill is to restore work incentives by limiting payments of lump sum impairment benefits to those situations where the employee has returned to work. In those cases where the employee has not returned to work, however, the impairment benefits would still be paid but they would be paid in installments over a 5-year period.

This bill has no effect on compensation for lost wages. It would continue to be payable regardless of whether the employee has returned to work.