

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 1418

H.P. 975

House of Representatives, April 4, 1991

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed. Pert".

EDWIN H. PERT, Clerk

Presented by Representative McHENRY of Madawaska.

Cosponsored by Representative MITCHELL of Vassalboro, Representative PINEAU of Jay and Senator ESTY of Cumberland.

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STATE OF MAINE

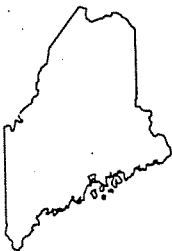
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IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-ONE

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**An Act to Increase the Interest Paid on Workers' Compensation Awards.**

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

2  
39 MRSA §72, as amended by PL 1981, c. 291, §1, is further  
4 amended to read:

6 **§72. Interest on awards**

8 Upon each award of the Workers' Compensation Commission,  
9 interest shall must be assessed from the date on which the  
10 petition is filed at a rate of 6% 15% per year, provided that if  
11 the prevailing party at any time requests and obtains a  
12 continuance for a period in excess of 30 days interest will be  
13 suspended for the duration of the continuance. From and after  
14 the date of the decree, interest shall ~~be~~ is allowed at the rate  
15 of 10% 30% per year. This section shall must be enforced by the  
16 Workers' Compensation Commission.

18  
19 **STATEMENT OF FACT**

20  
21 Current law provides that employers pay interest of 6% on  
22 workers' compensation awards from the date of the petition and  
23 10% from the date of the decree. This bill substantially  
24 increases those interest rates in order to remove any incentive  
25 for an employer to delay payments to injured employees.  
26 Employers can obtain a rate of return on investments of more than  
27 6%. As a result, the existing 6% rate of interest does not  
28 provide an adequate incentive for employers to pay workers'  
29 compensation claims.  
30