

Original sponsor: Labor and Management Committee

Offered: 4/28/80
Referred: Finance

1 IN THE HOUSE

BY THE LABOR AND
MANAGEMENT COMMITTEE

2 CS FOR HOUSE BILL NO. 1011

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the second injury fund established
7 under the Alaska Workers' Compensation Act; and provid-
8 ing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 23.30.040 is repealed and re-enacted to read:

11 Sec. 23.30.040. SECOND INJURY FUND. (a) There is created a
12 second injury fund, administered by the commissioner of labor. Money in
13 the second injury fund may only be paid for the benefit of those persons
14 entitled to payment of benefits from the second injury fund under this
15 chapter. Payments from the second injury fund must be made by the
16 commissioner of labor in accordance with the orders and awards of the
17 board.

18 (b) If an employee suffers a compensable injury after December 31,
19 1980, which results in temporary total disability, temporary partial
20 disability, permanent partial disability, or permanent total disability,
21 the employer or insurance carrier shall pay into the second injury fund
22 a sum equal to six percent of the compensation to which the employee is
23 entitled for temporary total disability, temporary partial disability,
24 permanent partial disability, permanent total disability, or for rehabi-
25 litation under AS 23.30.191.

26 (c) If an employee suffers a compensable injury which results in
27 death and the employee is not survived by a widow, widower, child, or
28 dependent relative eligible to receive death benefits under AS 23.30.-
29 215, the employer or insurance carrier shall pay \$10,000 to the second

1 injury fund.

2 (d) The board may refund a payment made into the second injury
3 fund if the employer or insurance carrier shows that it made the payment
4 by mistake or inadvertence, or if it shows there existed at the time of
5 the payment a beneficiary entitled to benefits under AS 23.30.215.

6 (e) The board may direct and provide the vocational retraining and
7 rehabilitation of a permanently disabled person whose condition is a
8 result of an injury compensable under this chapter by making cooperative
9 arrangements with insurance carriers, private organizations and institu-
10 tions, or state or federal agencies. The person being retrained or
11 rehabilitated is entitled to receive compensation from the second injury
12 fund for maintenance during the period of retraining and rehabilitation
13 in the sum which the board considers necessary, not to exceed \$200 a
14 month. The total expenditures for maintenance, retraining, rehabilita-
15 tion, and necessary transportation may not exceed \$10,000 for one person.

16 (f) All amounts collected as civil penalties under this chapter
17 must be paid into the second injury fund.

18 (g) The attorney general may investigate claims and hire expert
19 witnesses necessary to prevent fraudulent or excessive claims for money
20 in the second injury fund and, subject to an appropriation for this
21 purpose, may be reimbursed from the second injury fund for the cost of
22 investigating claims and defending against those claims.

23 (h) Administration expenses of the state under this section and
24 AS 23.30.205 must be paid from an appropriation from the second injury
25 fund.

26 (i) If there is not enough money in the second injury fund to
27 provide a reasonable reserve for the payment of compensation to persons
28 entitled to payment of benefits from the second injury fund, the com-
29 missioner of revenue may loan surplus money in the general fund to the

1 second injury fund. The loan may be made only from an appropriation for
2 that purpose. The commissioner of revenue and the commissioner of labor
3 shall determine the conditions for repayment of the loan to the general
4 fund.

5 * Sec. 2. AS 23.30.045(c) is amended to read:

6 (c) For a person eligible for vocational rehabilitation service
7 under AS 23.15.080 and who is placed with an employer for service [WITH-
8 OUT WAGES] at the request of the office of vocational rehabilitation to
9 give him on the job training, work readiness or work therapy experience,
10 or work sampling, the liability set out in (a) of this section applies
11 to the state rather than to the employer.

12 * Sec. 3. AS 23.30.040(b) enacted in sec. 1 of this Act does not apply to
13 an employer or insurance carrier required to make payments to the second
14 injury fund for an injury to an employee which occurred before January 1,
15 1981. For those employers or insurance carriers the amount of a payment to
16 the second injury fund and the conditions under which a payment is required
17 must be in accordance with the version of AS 23.30.040(b) in effect on the
18 day that the injury to the employee occurred.

19 * Sec. 4. This Act takes effect January 1, 1981.
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