

House File 673 - Introduced

HOUSE FILE 673

BY COOLING, WILBURN, JAMES,
LEVIN, B. MEYER, KRESSIG,
BAGNIEWSKI, MADISON,
CROKEN, R. JOHNSON,
AMOS JR., SRINIVAS,
EHLERT, OLSON, SCHOLTEN,
WESSEL-KROESCHELL, and
NIELSEN

A BILL FOR

1 An Act requiring certain weekly workers' compensation benefits
2 to be calculated by including an employee's overtime
3 and premium pay, and to include an annual cost-of-living
4 adjustment.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 85.36, Code 2025, is amended to read as
2 follows:

3 **85.36 Basis of computation.**

4 1. The basis of compensation shall be the weekly earnings
5 of the injured employee at the time of the injury. Weekly
6 earnings means gross salary, wages, or earnings of an employee
7 to which such employee would have been entitled had the
8 employee worked the customary hours for the full pay period in
9 which the employee was injured, as regularly required by the
10 employee's employer for the work or employment for which the
11 employee was employed, computed or determined as follows and
12 then rounded to the nearest dollar:

13 ~~1-~~ a. In the case of an employee who is paid on a weekly
14 pay period basis, the weekly gross earnings.

15 ~~2-~~ b. In the case of an employee who is paid on a biweekly
16 pay period basis, one-half of the biweekly gross earnings.

17 ~~3-~~ c. In the case of an employee who is paid on a
18 semimonthly pay period basis, the semimonthly gross earnings
19 multiplied by twenty-four and subsequently divided by
20 fifty-two.

21 ~~4-~~ d. In the case of an employee who is paid on a monthly
22 pay period basis, the monthly gross earnings multiplied by
23 twelve and subsequently divided by fifty-two.

24 ~~5-~~ e. In the case of an employee who is paid on a yearly
25 pay period basis, the weekly earnings shall be the yearly
26 earnings divided by fifty-two.

27 ~~6-~~ f. In the case of an employee who is paid on a daily
28 or hourly basis, or by the output of the employee, the
29 weekly earnings shall be computed by dividing by thirteen
30 the earnings, including but not limited to overtime, shift
31 differential ~~pay but not including overtime or,~~ and premium
32 pay, of the employee earned in the employ of the employer in
33 the last completed period of thirteen consecutive calendar
34 weeks immediately preceding the injury. If the employee was
35 absent from employment for reasons personal to the employee

1 during part of the thirteen calendar weeks preceding the
 2 injury, the employee's weekly earnings shall be the amount
 3 the employee would have earned had the employee worked when
 4 work was available to other employees of the employer in a
 5 similar occupation. A week ~~which~~ that does not fairly reflect
 6 the employee's customary earnings shall be replaced by the
 7 closest previous week with earnings that fairly represent the
 8 employee's customary earnings.

9 ~~7.~~ g. In the case of an employee who has been in the employ
 10 of the employer less than thirteen calendar weeks immediately
 11 preceding the injury, the employee's weekly earnings shall be
 12 computed under ~~subsection 6~~ paragraph "f", taking the earnings,
 13 including but not limited to overtime, shift differential
 14 ~~pay but not including overtime or, and~~ premium pay, for such
 15 purpose to be the amount the employee would have earned had the
 16 employee been so employed by the employer the full thirteen
 17 calendar weeks immediately preceding the injury and had
 18 worked, when work was available to other employees in a similar
 19 occupation. If the earnings of other employees cannot be
 20 determined, the employee's weekly earnings shall be the average
 21 computed for the number of weeks the employee has been in the
 22 employ of the employer.

23 h. In the case of an employee injured in the course of
 24 performing as a professional athlete, the basis of compensation
 25 for weekly earnings shall be one-fiftieth of total earnings
 26 that the employee has earned from all employment for the
 27 previous twelve months prior to the injury.

28 ~~8.~~ 2. If at the time of the injury the hourly earnings have
 29 not been fixed or cannot be ascertained, the earnings for the
 30 purpose of calculating compensation shall be taken to be the
 31 usual earnings for similar services ~~where~~ when such services
 32 are rendered by paid employees.

33 ~~9.~~ 3. a. If an employee earns either no wages or less
 34 than the usual weekly earnings of the regular full-time
 35 adult laborer in the line of industry in which the employee

1 is injured in that locality, the weekly earnings shall be
2 one-fiftieth of the total earnings ~~which~~ that the employee has
3 earned from all employment during the twelve calendar months
4 immediately preceding the injury.

5 ~~a.~~ b. In computing the compensation to be allowed a
6 volunteer fire fighter, emergency medical care provider,
7 reserve peace officer, or volunteer ambulance driver, the
8 earnings as a fire fighter, emergency medical care provider,
9 reserve peace officer, or volunteer ambulance driver shall be
10 disregarded and the volunteer fire fighter, emergency medical
11 care provider, reserve peace officer, or volunteer ambulance
12 driver shall be paid an amount equal to the compensation the
13 volunteer fire fighter, emergency medical care provider,
14 reserve peace officer, or volunteer ambulance driver would be
15 paid if injured in the normal course of the volunteer fire
16 fighter's, emergency medical care provider's, reserve peace
17 officer's, or volunteer ambulance driver's regular employment
18 or an amount equal to one hundred and forty percent of the
19 statewide average weekly wage, whichever is greater.

20 ~~b.~~ c. If the employee was an apprentice or trainee when
21 injured, and it is established under normal conditions the
22 employee's earnings should be expected to increase during the
23 period of disability, that fact may be considered in computing
24 the employee's weekly earnings.

25 ~~c.~~ d. If the employee was an inmate as defined in section
26 85.59, the inmate's actual earnings shall be disregarded, and
27 the weekly compensation rate shall be as set forth in section
28 85.59.

29 ~~10.~~ 4. If a wage, or method of calculating a wage, is
30 used for the basis of the payment of a workers' compensation
31 insurance premium for a proprietor, partner, limited liability
32 company member, limited liability partner, or officer of a
33 corporation, the wage or the method of calculating the wage
34 is determinative for purposes of computing the proprietor's,
35 partner's, limited liability company member's, limited

1 liability partner's, or officer's weekly workers' compensation
2 benefit rate.

3 ~~11.~~ 5. In computing the compensation to be allowed an
4 elected or appointed official, the official may choose either
5 of the following payment options:

6 a. The official shall be paid an amount of compensation
7 based on the official's weekly earnings as an elected or
8 appointed official.

9 b. The earnings of the official as an elected or appointed
10 official shall be disregarded and the official shall be paid
11 an amount equal to one hundred forty percent of the statewide
12 average weekly wage.

13 ~~12. In the case of an employee injured in the course of~~
14 ~~performing as a professional athlete, the basis of compensation~~
15 ~~for weekly earnings shall be one-fiftieth of total earnings~~
16 ~~which the employee has earned from all employment for the~~
17 ~~previous twelve months prior to the injury.~~

18 6. The basis of compensation for permanent total disability
19 benefits or death benefits shall increase on January 1 of
20 each year for compensation that becomes due that year by
21 a percentage equal to the cost-of-living adjustment made
22 to disability benefits payable by the United States social
23 security administration in December of the immediately
24 preceding year.

25 Sec. 2. Section 85.61, subsection 4, Code 2025, is amended
26 to read as follows:

27 4. "*Gross earnings*" means recurring payments by the
28 employer to the employee for employment, before any authorized
29 or lawfully required deduction or withholding of funds by
30 the employer, excluding irregular bonuses, retroactive pay,
31 ~~overtime~~, penalty pay, reimbursement of expenses, expense
32 allowances, and the employer's contribution for welfare
33 benefits.

34 EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill requires certain weekly workers' compensation
3 benefits to be calculated by including an employee's overtime
4 and premium pay, and to include an annual cost-of-living
5 adjustment.

6 The bill requires the calculation of the amount of weekly
7 workers' compensation benefits to include, not exclude, an
8 employee's earnings for overtime and premium pay.

9 The bill requires the basis of compensation for weekly
10 workers' compensation benefits payable for permanent total
11 disability benefits or death benefits to increase on January
12 1 each year for compensation that becomes due that year, by
13 a percentage equal to the cost-of-living adjustment made
14 to disability benefits payable by the United States social
15 security administration in December of the immediately
16 preceding year.

17 Technical corrections are also made to remove an unnumbered
18 paragraph and for purposes of clarity.