



REPUBLICAN CAUCUS STAFF  
HOUSE OF REPRESENTATIVES  
STATE CAPITOL  
DES MOINES, IOWA 50319  
515.281.3440  
IOWAHOUSEREPUBLICANS.COM

## HOUSE REPUBLICAN STAFF ANALYSIS

---

Bill: House File 523  
Committee: Labor  
Member: Rep. Horbach  
Date: July 1, 2011  
Staff: Louis Vander Streek (1-3626)

---

### **Overpayments of Workers' Compensation Benefits**

House File 523 (formerly HF 215) is a bill that changes how overpayments of weekly workers' compensation could be credited. The decision in a Supreme Court case (Swiss Colony v. Deutmeyer) stated that overpayments could **not** be credited to the current injury, and could only be credited to future injuries for that employee. This bill allows for overpayments to be credited to the current injury that is still being paid out.

---

### **Summary of Action**

Passed Labor Committee 11-6  
Passed House 61-34  
Died in the Senate

---

### **Section by Section Analysis**

#### Section 1 – Workers' Compensation Overpayment Credit

This section strikes the previous subsection relating to Credits for Excess Payments. It replaces it with language setting out a new process for overpayments. The section states that the any overpayment shall first be credited against the liability of the employer for the same injury. Any remaining excess payments will then be credited against the liability of the employer for a subsequent injury to the same employee.

The section also states that a credit shall not be taken until 15 days after an employee has been provided written notice of the amount of the credit, basis for the credit, and the manner in which the credit will be applied to future weekly benefits. Lastly, the section sets a cap of 50% of the weekly rate for the amount that an employer may claim as a credit.

#### Section 2 – Strike

This section strikes the current code section concerning 'Recovery of Employee Overpayment'.