

CHAPTER 327—S. F. No. 197

[Coded]

An act relating to certain benefits under the workmen's compensation law, and the second injury or special compensation fund; amending Minnesota Statutes 1961, Chapter 176, as amended, by adding a new section; and repealing Minnesota Statutes 1961, Section 176.13.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1961, Chapter 176, as amended, is amended by adding a new section to read:

[176.131] Workmen's compensation; subsequent disability, special fund. *Subdivision 1. If an employee incurs personal injury and suffers disability that is substantially greater, because of a pre-existing physical impairment, than what would have resulted from the personal injury alone, the employer shall pay all compensation provided by Minnesota Statutes, Chapter 176, but he shall be reimbursed from the special compensation fund for all compensation paid in excess of 26 weeks of monetary benefits and \$1,000 in medical expenses, subject to the following exceptions:*

(a) If the personal injury alone results in permanent partial disability to a scheduled member under section 176.101, the monetary and medical expense limitations shall not apply and the employer shall be liable for such compensation, medical expense, and retraining attributable to the permanent partial disability, and he may be reimbursed from the compensation fund only for compensation paid in excess of such disability.

Subd. 2. If the employee's personal injury shall result in disability or death, and if the injury, death, or disability would not have occurred except for the pre-existing physical impairment, the employer shall pay all compensation provided by Chapter 176, but shall be reimbursed from the special compensation fund for all such compensation.

Subd. 3. To entitle the employer to secure reimbursement from the special compensation fund, the following provisions must be complied with:

(a) Provisions of section 176.181, subdivisions 1 and 2.

(b) The employee with a pre-existing physical impairment must have been registered with the commission prior to the employee's personal injury.

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Subd. 4. If the employee's pre-existing physical impairment has been caused by a personal injury for which medical reports, showing the impairment have been filed with the commission and for which compensation has been paid under Chapter 176, the employee shall be deemed to be registered.

Subd. 5. Registration under this section may be made by the employee or any employer provided:

(a) Registration shall be accompanied by satisfactory evidence of such physical impairment;

(b) Registration shall be in effect as long as said impairment exists;

(c) Upon request, a registered employee shall be furnished by the commission with a registration card evidencing the fact of registration, and such other facts as the commission deems advisable.

Subd. 6. When the employer claims reimbursement from the special compensation fund after paying compensation as prescribed by this section, he shall file with the commission written notice of intention to claim reimbursement in accordance with the rules and regulations of the commission.

Subd. 7. Under subdivisions 1 and 2, occupational disease shall not be deemed to be the personal (second) injury.

Subd. 8. As used in this section the following terms have the meanings given them:

"Physical impairment" means any physical or mental condition which is or is likely to be a hindrance or obstacle to obtaining employment;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or retraining.

Subd. 9. The commission shall prescribe rules and regulations necessary for the operation of this section.

Subd. 10. The special compensation fund is created for the purposes provided in this section in the following manner:

(1) In every case of death of an employee resulting from personal injury arising out of and in the course of his employment where there are no persons entitled to at least \$500 in monetary

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benefits of dependency compensation, the employer shall pay to the commission the sum of \$500;

(2) *When an employee shall suffer personal injury which results in permanent partial disability and which entitles him to compensation for a scheduled permanent partial disability under Minnesota Statutes, Section 176.101, the employer shall in addition to compensation provided therein, pay to the commission for the benefit of the special compensation fund a lump sum without interest deduction equal to two percent of such total compensation, as soon as the total amount of the permanent partial disability payable for the particular injury is determined by the commission, or arrived at by agreement of the parties and such amount is approved by the commission.*

Such sums as are paid to the industrial commission pursuant to the provisions hereof, shall be by it deposited with the state treasurer for the benefit of the special compensation fund and be used to pay the benefits provided by Chapter 176. All money heretofore arising from the provisions of this section or similar law shall be transferred to this special compensation fund.

The state treasurer shall be the custodian of this special fund and the industrial commission shall direct the distribution thereof, the same to be paid as other payments of compensation are paid. In case deposit is or has been made under the provisions of clause (1) and dependency later is shown, or if deposit is or has been made pursuant to either clause (1) or (2) by mistake or inadvertence, or under such circumstances that justice requires a refund thereof, the state treasurer is hereby authorized to refund such deposit under order of the industrial commission. There is appropriated to the persons entitled to such refunds from the fund an amount sufficient to make the refund and payment.

Subd. 11. The commission shall report biennially to the governor and to the legislature as to the financial status of such special compensation fund, which report shall include a statement of the receipts and the disbursements for the period covered.

Subd. 12. All employers shall make such reports to the commission as shall be required for the proper administration of this section.

Sec. 2. Minnesota Statutes 1961, Section 176.13 is repealed.

Approved May 6, 1965.

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