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SFA**BILL ANALYSIS**

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Senate Bill 786 (as introduced 11-4-97)
Sponsor: Senator Mike Rogers
Committee: Human Resources, Labor and Veteran Affairs

Date Completed: 11-6-97

CONTENT

The bill would amend the Worker's Disability Compensation Act to allow a mediator to approve a redemption agreement for \$5,000 or less. A redemption agreement of more than \$5,000 could be approved only by a worker's compensation magistrate. (A redemption is the lump sum payment of a worker's compensation claim.)

Under the bill, the Director of the Bureau of Worker Compensation could set aside a redemption of \$5,000 or less without prejudice for any reason, if requested within 15 days after the mediator's approval of the redemption. Legal counsel would not be required for either party in cases of redemption of \$5,000 or less that were heard by a mediator.

The bill specifies that unless review was ordered or requested within 15 days after the date the order of the worker's compensation magistrate was mailed to or personally served on the parties, the order would become final. (The current Act refers only to an order that was mailed.)

Currently, a redemption agreement may be approved by a worker's compensation magistrate if the magistrate finds that the redemption agreement serves the Act's purpose and is agreed to by all parties; an application for mediation or a hearing, if filed, alleges a compensable cause of action; and the injured employee fully aware of his or her rights under the Act and the consequences of the agreement. Under the bill, a mediator also would have to make the same findings.

MCL 418.836 & 418.837

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: M. Tyszkiewicz

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