
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 786 (Substitute S-1 as reported)
Sponsor: Senator Mike Rogers
Committee: Human Resources, Labor and Veterans Affairs

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, 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.

Date Completed: 11-10-97

Fiscal Analyst: M. Tyszkiewicz