

**WORKER'S DISABILITY COMPENSATION ACT OF 1969 (EXCERPT)**  
**Act 317 of 1969**

**418.835 Redemption of liability from personal injury; payment of lump sum; proposed redemption agreement as lump sum application; liability of employer; hearing; notice to employer; waiver; use of fees; applicability to proposed redemption agreements of subsections (2) to (5).**

Sec. 835. (1) After 6 months' time has elapsed from the date of a personal injury, any liability resulting from the personal injury may be redeemed by the payment of a lump sum by agreement of the parties, subject to the approval of a worker's compensation magistrate. If special circumstances are found which in the judgment of the worker's compensation magistrate require the payment of a lump sum, the worker's compensation magistrate may direct at any time in any case that the deferred payments due under this act be commuted on the present worth at 10% per annum to 1 or more lump sum payments and that the lump sum payments shall be made by the employer or carrier. When a proposed redemption agreement is filed, it may be treated as a lump sum application, within the discretion of a worker's compensation magistrate. The filing of a proposed redemption agreement or lump sum application shall not be considered an admission of liability and if the worker's compensation magistrate treats a proposed redemption agreement as a lump sum application under this section, the employer shall be entitled to a hearing on the question of liability.

(2) The carrier shall notify the employer in writing, which may be electronically transmitted, of the proposed redemption agreement not less than 10 business days before a hearing on the proposed redemption agreement is held. The notice shall include all of the following:

- (a) The amount and conditions of the proposed redemption agreement.
- (b) The procedure available for requesting a private informal managerial level conference.
- (c) The name and business phone number of a representative of the carrier familiar with the case.

(d) The time and place of the hearing on the proposed redemption agreement and the right of the employer to object to it.

(3) The worker's compensation magistrate may waive the requirements of subsection (2) if the carrier provides evidence that a good-faith effort has been made to provide the required notice or if the employer has consented in writing to the proposed redemption.

(4) Except as otherwise provided in this subsection, for all proposed redemption agreements filed after December 31, 1983, each party to the agreement shall be liable for a fee of \$100.00 to be used to defray costs incurred by the agency, the worker's compensation board of magistrates, and the worker's compensation appellate commission administering this act, except that in the case of multiple defendants the fee for the party defendant shall be \$100.00 to be paid by the carrier covering the most recent date of injury. The agency shall develop a system to provide for the collection of the fee provided for by this subsection.

(5) The fees collected pursuant to subsection (4) shall be placed in the worker's compensation administrative revolving fund under section 835a. Money in the worker's compensation administrative revolving fund shall only be used to pay for costs in regard to the following specific purposes of the agency, the worker's compensation board of magistrates, and the Michigan compensation appellate commission as applicable:

- (a) Education and training.
- (b) Case management.
- (c) Hearings and claims for review.

(6) Subsections (2) to (5) only apply to proposed redemption agreements filed after December 31, 1983.

**History:** 1969, Act 317, Eff. Dec. 31, 1969;—Am. 1981, Act 193, Eff. Jan. 1, 1982;—Am. 1983, Act 151, Imd. Eff. July 18, 1983;—Am. 1985, Act 103, Imd. Eff. July 30, 1985;—Am. 1994, Act 271, Imd. Eff. July 11, 1994;—Am. 1996, Act 357, Imd. Eff. July 1, 1996;—Am. 2011, Act 266, Imd. Eff. Dec. 19, 2011.

**Compiler's note:** Section 2 of Act 151 of 1983 provides: "This amendatory act shall apply to proposed redemption agreements filed after December 31, 1983."

For legislative intent as to severability, see Compiler's note to MCL 418.213.

Enacting section 2 of Act 266 of 2011 provides:

"Enacting section 2. This amendatory act applies to injuries incurred on or after its effective date."

For the abolishment of the Michigan compensation appellate commission and establishment of the new workers' disability compensation appeals commission within the workers' disability compensation agency in the department of labor and economic opportunity and the transfer of certain powers and duties of the Michigan compensation appellate commission to the workers' disability compensation appeals commission, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

**Popular name:** Act 317