

HOUSE BILL NO. 5188

October 30, 2025, Introduced by Reps. Snyder, Weiss, Breen, Rheingans, Arbit, T. Carter, Pohutsky, Brixie, Xiong, Wilson, Conlin, Mentzer, MacDonell, Price, B. Carter, Miller, Dievendorf, McFall, Hope, Longjohn, Byrnes, Andrews, Tsernoglou, Young, Hoskins, Skaggs, Myers-Phillips and McKinney and referred to Committee on Economic Competitiveness.

A bill to amend 1969 PA 317, entitled
"Worker's disability compensation act of 1969,"
by amending section 835 (MCL 418.835), as amended by 2011 PA 266.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 835. (1) ~~After 6 months' time has elapsed from~~ **Not less**
2 **than 6 months after** the date of a personal injury, any liability
3 resulting from the personal injury may be redeemed by the payment
4 of a lump sum by agreement of the parties, subject to the approval
5 of a worker's compensation magistrate. If, ~~special circumstances~~
6 ~~are found which~~ in the judgment of the worker's compensation

1 magistrate, **special circumstances are found that** require the
2 payment of a lump sum, the worker's compensation magistrate may
3 direct at any time in any case that the deferred payments due under
4 this act be commuted on the present worth at 10% per annum to 1 or
5 more lump sum payments and that the lump sum payments ~~shall~~**must** be
6 made by the employer or carrier. When a proposed redemption
7 agreement is filed, it may be treated as a lump sum application,
8 within the discretion of a worker's compensation magistrate. The
9 filing of a proposed redemption agreement or lump sum application
10 ~~shall~~**must** not be considered an admission of liability and if the
11 worker's compensation magistrate treats a proposed redemption
12 agreement as a lump sum application under this section, the
13 employer ~~shall be~~**is** entitled to a hearing on the question of
14 liability.

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

20 (a) The amount and conditions of the proposed redemption
21 agreement.

22 (b) The procedure available for requesting a private informal
23 managerial level conference.

24 (c) The name and business phone number of a representative of
25 the carrier familiar with the case.

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

28 (3) The worker's compensation magistrate may waive the
29 requirements of subsection (2) if the carrier provides evidence

1 that a good-faith effort has been made to provide the required
 2 notice or if the employer has consented in writing to the proposed
 3 redemption.

4 ~~(4) Except as otherwise provided in this subsection, for all~~
 5 ~~proposed redemption agreements filed after December 31, 1983, each~~
 6 **Each** party to ~~the~~ **a proposed redemption** agreement ~~shall be is~~
 7 liable for a fee of \$100.00 to be used to defray costs incurred by
 8 the agency, the worker's compensation board of magistrates, and the
 9 ~~worker's~~ **workers' disability** compensation ~~appellate appeals~~
 10 commission administering this act. ~~, except that in the case of~~
 11 ~~multiple defendants the fee for the party defendant shall be~~
 12 ~~\$100.00 to be paid by the carrier covering the most recent date of~~
 13 ~~injury.~~ The agency shall develop a system to provide for the
 14 collection of the fee provided for by this subsection.

15 (5) The fees collected ~~pursuant to~~ **under** subsection (4) ~~shall~~
 16 **must** be placed in the worker's compensation administrative
 17 revolving fund under section 835a. Money in the worker's
 18 compensation administrative revolving fund ~~shall only~~ **must** be used
 19 **only** to pay for costs in regard to the following specific purposes
 20 of the agency, the worker's compensation board of magistrates, and
 21 the ~~Michigan~~ **workers' disability** compensation ~~appellate appeals~~
 22 commission as applicable:

23 (a) Education and training.

24 (b) Case management.

25 (c) Hearings and claims for review.

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