

**SUMMARY OF S.23:**

**AN ACT RELATING TO BINDING ARBITRATION FOR STATE EMPLOYEES**

- Currently, under 21 V.S.A. § 662, the Commissioner of Labor must review and approve any settlement related to a workers' compensation claim.
- The Commissioner may only approve a settlement if:
  - The terms of the settlement conform to the provisions of the workers' compensation statute; or
  - The Commissioner "is clearly of the opinion that the best interests of" the employee or employee's dependents will be served by the settlement.

**Section 1: New Section: 21 V.S.A. § 662a–Final Settlement of Claims; Required Disclosure**

- The new section establishes two additional requirements that must be met before the Commissioner of Labor may approve a full and final settlement of all or a part of an employee's workers' compensation claim.
  - Subdivision (1) requires that the employer or the employer's insurance carrier provide an employee with a written disclosure that explains the consequences of the proposed settlement on the employee's rights to obtain compensation, vocational rehabilitation, and medical benefits.
    - The disclosure must:
      - 1 Clearly state the amount of the settlement.
      - 2 Identify the approximate amount of compensation the employee would otherwise be entitled to under the workers' compensation statute.
      - 3 Identify all current and ongoing medical benefits that will end as part of the settlement.
      - 4 Identify any rights to obtain compensation, vocational rehabilitation, or medical benefits that the employee will give up by agreeing to the settlement.
  - Subdivision (2) requires that the employee sign the disclosure statement to acknowledge that he or she is fully informed about the consequences of agreeing to the settlement.

**Section 2: Effective Date**

- Effective on July 1, 2015.