What's New in the 2026–2027 Edition:

Important Updates:

- Voluntary Quit = No Industrial Disability
- Return to work at the same or higher wage at the time of hearing = functional disability
- Renumbering of Administrative Code
- Properly asserting penalty throughout litigation
- IME: Reimbursement when no numerical rating
- Late report admitted, rebuttal report taxed as cost
- Employer not bound by authorized treater's causation opinion
- Distal Clavicle = full 10% of the upper extremity rating under AMA Guide, 5th Ed.
- 85.35(3) Compromise Settlement with employer bars SIF case
- Co-employee gross negligence – actual knowledge of peril example
- Alternate care proceedings post settlement
- Review Reopening – Loss of accommodated position
- Termination due to misconduct no basis for change in condition
- Effect of retirement under Iowa code 85.34(2)(v) vs. 85.34(3)
- 14 new cases added.

Iowa Administrative Code Changes and Emergency Rules

The Iowa Legislature enacted legislation which rescinded Iowa Administrative Code, chapters 876 IAC 4, 5, 7, 9, and 12. In response, the Iowa Workers' Compensation filed Emergency Rules governing contested cases. The rules will no longer be codified in 876 IAC 4 but instead added to 7 IAC 2506. The Emergency Rules take effect June 30th, 2026. The Rules apply to cases filed on or after June 30, 2026. The numbering of the Rules is likely to change due to the current status being Emergency Rules as opposed to final promulgated Rules.

Further, there were substantive changes made to the rules:

• **Answers to Original Notice and Petition**: Must be filed within 20 days of service of the petition. IRCP 1.303(1) governs

rather than old Rule 4.9(1).

• **Hearing Report:** The Hearing Report must now be submitted at the time of hearing. It is no longer filed on WCES prior to the hearing.

• **Late Evidence Admission Standard:** The burden for admitting late-disclosed evidence has shifted to the offering party. The offering party must show good cause for admission.

Due to the numbering not being final, please refer to the conversion chart showing the old rule as codified under 876 IAC 4 and the new rule codified 7 IAC 2506:

Old Rule	Title	New Rule
4.1	Contested Cases	2506.32
4.2	Separate Evidentiary Hearing-Denial or Delay Benefits	2506.33
4.3	Compliance proceeding	2506.34
4.4	Request for hearing	2506.66
4.5	Commencement by the workers' compensation commissioner	2506.35
4.6	Original notice and petition	2506.36
4.7	Delivery of notice, orders, rulings and decisions	2506.37
4.8	Filing of notice	2506.38
4.9	Appearance and responses, pleadings, motions and settlements	2506.39
4.10	Insurance carrier as a party	2506.40
4.11	Signatures on documents and papers	2506.41
4.12	Service on parties	2506.42
4.13	Method of service	2506.43
4.14	Filing of documents and papers	2506.44
4.15	Proof of service	2506.45
4.16	Previously rescinded	NA
4.17	Service of records and reports	2506.46
4.18	Medical evidence and discovery	2506.47
4.19	Prehearing procedure	2506.48
4.20	Prehearing conference	2506.49
4.21	Prehearing conference record	2506.50
4.22	Orders	Not included
4.23	Assignment for hearing	2506.51
4.24	Rehearing	2506.52
4.25	Appeal when rehearing requested	2506.53
4.26	Previously rescinded	NA
4.27	Appeal	2506.54
4.28	Briefing requirements on appeal	2506.55
4.29	Review upon motion	2506.56
4.30	Transcript on appeal or review	2506.57
4.31	Completion of contested cased record	Not included
4.32	Recording of proceedings	2506.58
4.33	Costs	2506.59
4.34	Dismissal for lack of prosecution	2506.60
4.35	Rules of civil procedure	2506.61
4.36	Compliance with order or rules	2506.62
4.37	Waiver of contested case provisions	Not included
4.38	Recusal	Not included
4.39	Filing by facsimile transmission (fax)	Not included
4.40	Dispute resolution	Not included
4.41	Previously rescinded	NA
4.42	Previously rescinded	NA
4.43	Previously rescinded	NA
4.44	Previously rescinded	NA
4.45	Length of briefs	2506.63
4.46	Contested case proceedings—health service disputes	2506.64
4.47	Previously rescinded.	NA
4.48	Application for alternate care	2506.65
4.49	Method of holding hearing	2506.66
4.50	Vocational training, education, and supplies	2506.67
4.51	Agency notice of judicial review matters	2506.68
4.52	Rules of electronic procedure	2506.69

Special Practice Note: The Impact of COVID-19 on the Iowa Workers Compensation Commission

As of the publishing of this edition, the Commissioner has issued special Orders due to the COVID-19 pandemic. All in-person hearing scheduled before the commission will be held by internet-based video using Zoom, unless the agency grants a joint motion for Court Call hearings.[1] At least seven business days prior to the scheduled hearing date, all parties may file a Joint Motion for In-Person Hearing to request their hearing be live and in-person. If any party does not join the Motion for In-Person Hearing, the Motion will not be granted.

Further, due to the COVID-19 pandemic, the Commissioner issued special Orders outlining temporary rule changes with the purpose of reducing person to person interaction.[2] The changes incorporated the Iowa Supreme Court's Orders regarding COVID-19. Service of original notice and petitions may be made by registered mail, return receipt requested as an alternative to personal service.[3] If, however, personal service must be made, and the deadline for service falls within March 23, 2020 and July 13, 2020, the serving party is granted through July 13, 2020 to complete service.[4]

The Commissioner allowed electronic signatures to documents to be signed with "/s/" followed by the person's typed full name or with "/person's name/" through at least October 28, 2022.

The Commissioner eliminated the need for notarization of documents on commission submissions, including settlements, through at least October 28, 2022.

Although filing by WCES is still required, the Commissioner also allowed temporary authorization of filling by email for all self-represented persons who have not already registered for WCES, persons excused from electronic filing on WCES, personas

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[1] https://www.iowaworkcomp.gov/sites/authoring.iowadivisionofworkcomp.gov/files/Order%20--%20COVID-19%20--%20Suspension%20of%20In-Person%20Hearings%20Through%20October%2028%2C%202022.pdf.

[2] https://www.iowaworkcomp.gov/sites/authoring.iowadivisionofworkcomp.gov/files/Order%20--%20COVID-19%20--%20Suspension%20of%20In-Person%20Hearings%20Through%20October%2028%2C%202022.pdf.

[3] Iowa Code section 17A.12(1).

[4] https://www.iowaworkcomp.gov/sites/authoring.iowadivisionofworkcomp.gov/files/Order%20--%20COVID-19%20--%20Suspension%20of%20In-Person%20Hearings%20Through%20October%2028%2C%202022.pdf.

affected by technical failure in WCES, or persons affected by problems such as telephone lines, internet serviced, hardware and software problems.

2017 Amendments to the Iowa Workers' Compensation Act—HF 518

During the 2017 Iowa legislative session, the legislature passed HF 518 that amended sections of the Iowa Workers' Compensation Act. The majority of the changes took effect for injuries occurring on or after July 1, 2017. Iowa Code § § 85.45 and 535.3 took effect on July 1, 2017 regardless of the injury date. It is imperative to have a clear record of when the injury occurred in order to properly advise clients regarding the law. Unlike previous legislative amendments to the Iowa Workers' Compensation Act, there was no legislative history or intent stated.

Below is a list of Iowa Code sections that were amended effective July 1, 2017:

- **Iowa Code § 85.16(2):** If the injured worker fails a post-injury alcohol or drug test, the amendment shifts the burden to the employee and creates a presumption that the injured worker was intoxicated at the time of the injury and the intoxication was a substantial factor in causing the injury. The employee must disprove either element in order to prevail.
- **Iowa Code § 85.18:** The purpose of this section is to prevent employers from skirting their obligation to provider workers' compensation coverage by creating contracts to that effect. The amendment provides there is no available cause of action based on this code section.
- **Iowa Code § 85.23:** The 90 day notice provision through this amendment defines the date of injury as the date the "employee knew or should have known that the injury was work related."
- **Iowa Code § 85.26:** The statutes of limitations through this amendment defines the date of injury as the date the "employee knew or should have known that the injury was work related."
- **Iowa Code § 85.33:** Amended temporary disability benefits sections to mandate offers of suitable temporary work to be in writing, as well as the injured worker's deci-

sion to accept or decline. Further, the amendments allow suspension of temporary benefits if suitable work is offered and declined by the injured worker. If the injured worker refuses the offer of temporary work, the injured worker must communicate the refusal and the reason for the refusal to the employer in writing. If the reason for refusal by the injured worker is the suitability of the work, the injured worker is precluded from raising suitability of the work as the reason for refusal until the injured worker has communicated that in writing to the employer. Work offered at the employer's principal place of business or established place of operation where the employee previously worked is presumed to be geographically suitable for an employee whose duties involve travel away from the employer's principal place of business more than 50% of the time.

- **Iowa Code § 85.34:** Permanent disability benefits were substantially changed as set out in subsections below.

- **Iowa Code § 85.34(2):** Amendment providing commencement date for permanent partial disability benefits is the date of maximum medical improvement. The previous code section allowed for permanent partial disability benefits to commence at the first of the date of return to work, the date that a return to similar work was medically indicated, or the date of maximum medical improvement. This change has the practical effect of delaying when interest will commence and when permanent benefits are due.

- **Iowa Code § 85.34(2)(n):** Shoulders are now a scheduled member injury. An injured worker with an injury to the shoulder will no longer have the opportunity to seek industrial disability benefits. The new subsection changed the maximum value for shoulder injuries from 500 weeks as an industrial injury to 400 weeks as a scheduled member injury. See Iowa Code § 85.70 for a discussion on rehabilitation benefits for workers with shoulder injuries.

- **Iowa Code § 85.34(2)(o):** Loss of a foot equals 150 weeks of compensation.

- **Iowa Code § 85.34(2)(p):** Loss of two-thirds of the part of a leg between the hip joint and the knee joint equals the loss of a leg, and shall equal 250 weeks of compensation.

- **Iowa Code § 85.34(2)(q):** Loss of an eye equals 140 weeks of compensation.

- **Iowa Code § 85.34(2)(r):** Loss of an eye, the other eye having been lost prior to the injury, weekly compensation equals 200 weeks.
- **Iowa Code § 85.34(2)(s)(1):** For the loss of hearing, other than occupational hearing loss as defined in section 85B, weekly compensation during fifty weeks, and for the loss of hearing in both ears, weekly compensation during one hundred seventy-five weeks.
- **Iowa Code § 85.34(2)(s)(2):** For occupational hearing loss, weekly compensation as provided in chapter 85B.
- **Iowa Code § 85.34(2)(w):** If it is determined that an injury has produced a disability less than that specifically described in the schedule described in paragraphs "a" through "u", compensation shall be paid during the lesser number of weeks of disability determined, as will not exceed a total amount equal to the same percentage proportion of said scheduled maximum compensation. Iowa Code § 85.34(2)(t): The loss of both arms, or both hands, or both feet, or both legs, or both eyes, or any combination of two of the above shall equal five hundred weeks and shall be compensated as such; however, if said employee is permanently and totally disabled the employee may be entitled to benefits under subsection 3.
- **Iowa Code § 85.34(2)(u):** For permanent disfigurement of the face or head which shall impair the future usefulness and earnings of the employee in the employee's occupation at the time of receiving the injury, weekly compensation, for such period as may be determined by the workers' compensation commissioner according to the severity of the disfigurement, but not to exceed one.
- **Iowa Code § 85.34(2)(v):** Amendment provides allows for consideration of the number of years remaining an injured worker was reasonably expected to work into the future to determine industrial disability.
- **Iowa Code § 85.34(2)(v):** Amendment also allows for a worker with an industrial injury who returns to work, or is offered work at the same or similar earnings, to be compensated for permanency based only on the functional impairment rating. The amendment allows for a review-reopening proceeding in the event the injured worker is terminated by the employer and places no statute of limitations on the time-frame for bringing review-reopening proceeding under these circumstances.

- **Iowa Code § 85.34(2)(x):** Amendment mandates the only evidence that can be considered in a scheduled member injury proceeding are impairment ratings. Lay witness testimony and agency expertise are explicitly not allowed to be factored in.
- **Iowa Code § 85.34(2)(y):** New section ends permanent partial disability benefits on the date an injured worker starts to receive permanent total disability benefits.
- **Iowa Code § 85.34(3):** Amendment provides that injured worker who is awarded permanent partial disability benefits cannot receive permanent total disability benefits. Further, the amendment bars an injured worker from receiving permanent total disability benefits if that worker is also receiving weekly earnings or unemployment benefits that exceed fifty percent of the statewide average weekly wage.
- **Iowa Code § 85.34(4):** Amendment allows employer to claim a credit for excess payments of temporary total disability, healing period, or temporary partial disability benefits against any future weekly benefits due for any injury to that employee. The employer must still act in good faith notifying the injured worker that the benefits are terminated.
- **Iowa Code § 85.34(5):** Amendment allows an employer to claim credit for any excess weekly benefits paid against any current or future injury to the employee.
- **Iowa Code § 85.34(7):** Amendment states an employer is responsible for compensating only the portion of the disability that arises out of and in the course of the employment with the employer and that relates to the injury that serves as the basis for the injured worker's claim for compensation. The amendment further states the employer is not liable for compensating an injured worker's preexisting disability that arose out of a prior injury with the employer, to the extent the injured worker's preexisting disability has already been compensated under the Iowa Workers' Compensation Act. Subsections (b) and (c) were struck.
- **Iowa Code § 85.39:** Amendment allows forfeiture of benefits by the injured worker if injured worker refuses to attend the employer's independent medical exam. Further, the injured worker can only obtain reimbursement for their own independent medical exam if that worker proves

the employer is liable for the injury. The reasonableness of the fee charged for the examination shall be based on the typical fee charged by a medical provider in the local area where the examination is conducted.

- **Iowa Code § 85.45:** Amendment requires mutual agreement of the parties for a commutation. Additionally, a full commutation can now leave future medical open.

- **Iowa Code § 85.70:** New Section allows vocational assistance to injured workers who suffer shoulder injuries, and "cannot return to gainful employment". Section mandates an evaluation and determination by the workforce development department as to whether the injured worker is a candidate for training and education. If so, the injured worker will be referred to a community college in the closest proximity to the injured worker's residence. The injured worker must enroll in the community college within six months after the referral. The employer must pay for training and education up to $15,000 including books and supplies. Employer entitled to updates from the community college regarding worker's attendance and participation.

- **Iowa Code § 85.71(1)(a):** Amendment narrows jurisdiction to bring a claim in Iowa. Iowa workers will now only be covered if they are injured in Iowa or regularly work in Iowa.

- **Iowa Code § 86.26 and 86.42:** Amendment allows an appealing party to be granted an automatic stay if they file a bond in a reasonable amount as fixed by the court within thirty days of filing the petition. A party may file an objection with the court within twenty days from the date that the amount of the bond is fixed and approved by the court. The grounds for objections are the amount of the bond is not reasonable or adequate. If the district court orders the amount of the bond posted to be modified, the party seeking judicial review shall repost the bond in the amount ordered within twenty days of the date of the order modifying the bond.

- **Iowa Code § 86.39:** Amendment provides attorney shall not recover fees for legal services based on the amount of compensation voluntarily paid to an injured worker, and disputes regarding attorney fees under this section will be resolved by the workers' compensation commissioner.
  Iowa Code § 535.3: Amendment sets interest rate for past due workers compensation benefits to the variable rate based on the treasury maturity index as released by the Iowa Supreme Court, plus 2%.