

**THIRD REVISED PROPOSED REGULATION OF THE
ADMINISTRATOR OF THE DIVISION OF INDUSTRIAL RELATIONS
OF THE DEPARTMENT OF BUSINESS AND INDUSTRY**

LCB File No. R059-15

October 3, 2016

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §1, NRS 616A.400 and 616C.495, as amended by section 3 of Senate Bill No. 232, chapter 240, Statutes of Nevada 2015, at page 1141.

A REGULATION relating to industrial insurance; revising provisions concerning compensation of an injured employee who incurs a permanent partial disability; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law allows an injured employee who incurs a permanent partial disability to elect to receive compensation for that injury in a lump sum. A claimant injured on or after July 1, 1981, and before July 1, 1995, who incurs a disability that: (1) does not exceed 30 percent may elect to receive his or her compensation in a lump sum; and (2) exceeds 30 percent may elect to receive his or her compensation in a lump sum equal to the present value of an award for a disability of 30 percent. The Administrator of the Division of Industrial Relations of the Department of Business and Industry is required to adopt regulations for determining the eligibility of such an employee who is injured on or after July 1, 1995, to receive all or a portion of his or her compensation in a lump sum. (NRS 616C.495, as amended by section 3 of Senate Bill No. 232, chapter 240, Statutes of Nevada 2015, at page 1141) Existing regulations allow such an employee who incurs a partial disability that: (1) does not exceed 25 percent to elect to receive compensation in a lump sum; and (2) exceeds 25 percent to elect to receive a portion of his or her compensation in a lump sum equal to the present value of an award for a disability of 25 percent. (NAC 616C.498) This regulation allows such an employee who is injured on or after July 1, 2015, but before January 1, 2016, who incurs a partial disability that exceeds 25 percent to elect to receive a portion of his or her compensation in a lump sum up to the present value of an award for a disability of 30 percent if the insurer offers to provide compensation in a lump sum of that amount. This regulation also allows such an employee injured on or after January 1, 2016, who incurs a partial disability that: (1) does not exceed 30 percent to elect to receive compensation in a lump sum; and (2) exceeds 30 percent to elect to receive a portion of his or her compensation in a lump sum equal to the present value of an award for a disability of 30 percent.

Section 1. NAC 616C.498 is hereby amended to read as follows:

616C.498 **1.** An employee injured on or after July 1, 1995, *but before January 1, 2016*, who incurs a permanent partial disability that:

~~1-1~~ (a) Does not exceed 25 percent may elect to receive compensation in a lump sum.

~~1-2~~ (b) Exceeds 25 percent may ~~elect~~ :

(1) Elect to receive compensation in a lump sum equal to the present value of an award for a disability of 25 percent. If the injured employee elects to receive compensation in a lump sum pursuant to this ~~subsection.~~ subparagraph, the insurer shall pay in installments to the injured employee that portion of the injured employee's disability in excess of 25 percent.

(2) To the extent that the insurer has offered to provide compensation in a lump sum up to the present value of an award for a disability of 30 percent, elect to receive compensation in a lump sum up to the present value of an award for a disability of 30 percent. If the injured employee elects to receive compensation in a lump sum pursuant to this subparagraph, the insurer shall pay in installments to the injured employee that portion of the injured employee's disability in excess of 30 percent.

2. *An employee injured on or after January 1, 2016, who incurs a permanent partial disability that:*

(a) Does not exceed 30 percent may elect to receive compensation in a lump sum.

(b) Exceeds 30 percent may elect to receive compensation in a lump sum equal to the present value of an award for a disability of 30 percent. If the injured employee elects to receive compensation in a lump sum pursuant to this paragraph, the insurer shall pay in installments to the injured employee that portion of the injured employee's disability in excess of 30 percent.