

<b>State of Alaska</b> Mike Dunleavy, Governor	<b>Alaska Workers' Compensation Division</b> PO Box 115512 Juneau, Alaska 99811-5512		
<b>Department of Labor and Workforce Development</b>	<b>BULLETIN</b>	<b>Number</b> 18-04 Amended	<b>Date</b> December 31, 2018
<b>Dr. Tamika L. Ledbetter,</b> Commissioner	<b>SUBJECT</b>	Second Injury Fund Closure AS 23.05.067(a), AS 23.30.040(f), 23.30.155(q)	
	<b>REFERENCE</b>	AS 23.30.205(e) and (g)	

The workers' compensation reforms passed by the State of Alaska Legislature on May 11, 2018, (SCS CSHB 79(FIN)) provided for the closure of the Second Injury Fund (SIF). The Department of Labor and Workforce Development and the Alaska Workers' Compensation Board may adopt regulations to implement the following statutory amendments and shall continue to administer the Second Injury Fund and payment of its remaining liabilities. The SIF will satisfy the remaining liabilities of the Second Injury Fund for claims submitted within the timeline listed below and pay its administrative costs from funds generated from assessments and earnings.

Please note the following statutory clarifications associated with the SIF:

AS 23.30.040(f) and 23.30.155(q) were repealed, effective November 23, 2018.

AS 23.30.205(e) and (g) were amended, effective August 25, 2018.

- A claim for second injury fund reimbursement may not be submitted for an injury or death that occurs after August 31, 2018. An employer or the employer's insurance carrier must submit a claim for reimbursement and all required information for consideration before October 1, 2020. Claims filed after the required dates will be denied.
- The fund will not accept any material needed to make a decision on the acceptance of a claim after September 30, 2020. If we do not have the required material by September 30, 2020, the claim will be denied.
- In accordance with revisions to AS 23.30.205(g), an employer that qualifies for reimbursement under AS 23.30.205 shall continue to receive reimbursement payments until the fund's liabilities for the claim are extinguished.

The Second Injury Fund contribution rate assessment determination established for calendar year 2018 under AS 23.30.040(a) and (b) is in effect up to 12/31/ 2018 (see Workers' Compensation Division Bulletin [17-07](#)). The division will continue issuing annual SIF contribution rate determinations under AS 23.30.040(b) until the claims eligible for reimbursement through the SIF fund are exhausted. Since new SIF claims will not be allowed after the deadline, the SIF contribution rate is expected to drop in the coming years as each ongoing claim is extinguished.

Annual Second Injury Fund contributions are still due under AS 23.30.040(i),

- The amount of payment to SIF and conditions must be in accordance with AS 23.30.040(b) in effect on the date that the injury to the employee occurred.

The SIF contribution rate is posted annually via bulletin to <http://www.labor.state.ak.us/wc/bulletins.htm>.

For additional questions, please contact Velma Thomas at 907-465-2790 or [velma.thomas@alaska.gov](mailto:velma.thomas@alaska.gov).