

EMPLOYMENT LAW SUMMARY

Workers' compensation is a system of no-fault insurance that provides medical and monetary benefits to employees (or their survivors) for work-related injuries, diseases and deaths. Workers' compensation is governed by state law.

The Missouri Workers' Compensation Law (WCL) establishes the requirements for employers and the penalties they may face for failures to comply. The [Missouri Division of Workers' Compensation](#) (Division) enforces the WCL.

FAILURE TO COMPLY WITH COVERAGE REQUIREMENTS

Employers subject to the WCL must obtain and maintain adequate workers' compensation for their employees by either purchasing a policy from an insurance carrier authorized to provide workers' compensation insurance in Missouri or by obtaining the Division's approval to self-insure.

An insured employer must provide the correct name and address of its insurance carrier to an injured employee (or his or her dependents in cases of death) upon the employee's (or dependents') demand. If an employer fails to provide this information as required, the Division will presume that the employer has failed to provide coverage and may impose the penalties described below.

An employer that knowingly fails to provide coverage may be charged with a Class A misdemeanor, punishable by up to one year in jail, a fine of up to \$1,000 or both. In addition, the Division may assess a fine of up to the greater of either three times the annual premium amount the employer would have paid if it had been insured or **\$50,000**.

If an employee sustains a work-related injury while his or her employer does not have workers' compensation coverage, the employee may choose to sue the uninsured employer in court to recover **damages** instead of accepting the more limited benefits available under the WCL. In this lawsuit, the uninsured employer will be barred from claiming that:

- The injury was caused by the negligence of a fellow employee;
- The employee had assumed the risk of the injury or death; or
- The injury was caused by the employee's negligence.

Even if an injured employee does not choose to sue the uninsured employer for damages, the employer may be held **liable** for any amounts paid to the employee out of a state fund that exists to provide workers' compensation benefits to employees whose employers are uninsured.

FAILURE TO POST NOTICE

The WCL requires employers to post a notice to inform employees of their workers' compensation coverage. This notice must be displayed in a location where employees may easily see it.

An employer that willfully fails to post the required notice may be charged with a **misdemeanor**, punishable by a **fine of between \$50 and \$1,000, incarceration in a county jail for up to six months or both**. Each violation, and each day a violation continues, is a separate offense.

FAILURE TO REPORT INJURIES

If an employee is injured at work, the employer (or its insurance carrier, if applicable) must file a [First Report of Injury](#) with the Division within **30 days** after it first had knowledge of the injury.

An employer that knowingly fails to report an injury as required by the WCL or that knowingly makes a false report or statement to the Division may be charged with a **misdemeanor**. This misdemeanor is punishable by a **fine of between \$50 and \$500, incarceration in a county jail for between one week and one year, or both**.

FAILURE TO PAY COMPENSATION

After accepting an employee's workers' compensation claim, the employer must pay any required benefits at least once every two weeks. Benefits paid after the two-week deadline are considered overdue.

The WCL requires employers to pay injured employees an additional **10 percent** of any benefit that is 30 or more days overdue. The additional compensation amount may increase to **double** the overdue amounts if an employer fails to follow any pay arrangement order issued by the Division.

ILLEGAL EMPLOYMENT OF MINORS

Under the WCL, an employer may be required to pay an **additional 50 percent of all payable benefits** to an injured employee if the employee was a minor and illegally employed at the time of his or her work-related injury.

CAUSING INJURY

An employer that causes an employee's injury due to its failure to comply with any law or Division order may be ordered to pay the employee an additional **15 percent** of all payable benefits.

FRAUD AND FALSE STATEMENTS

The WCL prohibits employers from committing fraud and making false statements in order to lower the costs of their premiums or avoid paying any workers' compensation benefits. Committing fraud includes knowingly misrepresenting any fact or presenting any false information.

An employer that commits fraud under the WCL may be charged with a **Class A misdemeanor**, punishable by up to **one year in jail, a fine of up to \$1,000 or both**. In addition, the Division may assess an administrative fine of up to **\$10,000**.

An employer that prepares or provides an invalid certificate of insurance as proof of workers' compensation coverage may be charged with a **Class D felony**, punishable by up to **seven years in prison, a fine of up to \$20,000 or both**. In addition, the employer may be subject to an administrative fine of up to the greater of either **\$10,000 or double** the value of the gain or profit the employer obtained (or the loss the employer avoided) through fraud.

FAILURE TO COMPLY WITH TAX AND SURCHARGE REQUIREMENTS

The WCL imposes specific tax and surcharge obligations on employers. Under the WCL, insurance carriers must collect these taxes and surcharges from every employer that purchases a commercial workers' compensation policy. These charges are usually collected at the time carriers collect coverage premiums. Insurance carriers transfer these charges to the Division. Self-insured employers must pay the required surcharges and taxes directly to the Division on a quarterly basis.

An employer that fails to pay the required surcharges and taxes may be fined **0.5 percent** of any unpaid amount. In addition, the Division may order the employer to pay **interest** at a rate of **1.5 percent per month** on the unpaid amounts. The Division may also issue a **stop-work order** against a self-insured employer that fails to pay the required taxes.

RETALIATION

Employers may not discharge or in any way discriminate against an employee for exercising any of his or her rights under the WCL. An employee who has been discharged or discriminated against by his or her employer may sue the employer in a court and seek to recover **back pay and damages**.

GENERAL WCL VIOLATIONS

The WCL includes a blanket prohibition against violating any of its provisions. Where the law does not provide a specific penalty, an employer that violates a provision may be charged with a **misdemeanor**, punishable by a fine of between **\$50 and \$500, imprisonment in a county jail for between one week and one year, or both**. Any second or subsequent violation may be punishable as a **Class D felony**, punishable by up to seven years in prison, a fine of up to \$20,000 or both.

MORE INFORMATION

Contact Heffernan Insurance Brokers or visit the Division [website](#) for more information on workers' compensation laws in Missouri.

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