

Wisconsin Act 145 Brings Significant Changes to the Worker's Compensation Act

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Posted By: Scott E. Wade

Practice Area: Worker's Compensation

Wisconsin employers, insurers and claims professionals should take note of substantial amendments to the Worker's Compensation Act under 2025 Wisconsin Act 145. Effective April 1, 2026, the Act revises benefit levels, hearing procedure, evidentiary rules, settlement administration, supplemental benefits, PTSD coverage and enforcement provisions relating to insurance compliance.

Among the Act's immediate monetary changes, the maximum weekly permanent partial disability rate increases to \$454 for injuries occurring on and after April 1, 2026, and to \$462 for injuries occurring on and after January 1, 2027. The legislation also expands criminal insurance fraud exposure to false or fraudulent applications for worker's compensation coverage and to insurance applications that falsely misclassify employees in order to reduce premiums.

Benefits, Settlements and Case Administration

Act 145 expands the category of serious traumatic injuries not subject to the statute of limitations by adding shoulder replacements and reverse shoulder replacements. It also extends PTSD coverage to all emergency medical responders, emergency medical service practitioners and firefighters, regardless of employment or volunteer status, aligning those groups more broadly with the coverage previously extended to law enforcement officers and full-time firefighters.

The Act also changes settlement administration in several important respects. It eliminates the requirement that compromise settlement proceeds payable to an injured employee be placed in a restricted bank account. Orders approving compromise settlements must now dismiss any pending hearing application within the claim, and approved compromise agreements will close the case. The legislation further provides that consideration paid for a compromise agreement is not an advance payment of compensation, and it includes a technical correction to the assignment-of-benefits cross-reference in Wis. Stat. § 102.27(2).

For claims involving inpatient hospitalization, health care providers may not restrict employer or insurer case-management personnel from access to records or participation in care and discharge planning when that involvement is needed to ensure appropriate housing and transportation for an injured employee with a disability. At the same time, the Act expressly preserves the rule that employers and case managers have no authority to direct medical care.

Supplemental Benefits and PPD Ratings

Act 145 substantially revises supplemental benefits. Benefit rates are increased based on the maximum weekly benefit rate in effect for 2020, and additional employees with injury dates before January 1, 2020 become eligible for those benefits. Employees receiving permanent total disability compensation from the Second Injury Fund are also made eligible, and supplemental benefit rates will increase annually each January 1. The summary identifies the 2020 maximum weekly rate as \$1,051. The Act also requires carriers to submit reimbursement requests for supplemental benefits electronically through the Department's updated Insurer Portal.

The legislation also addresses permanent partial disability ratings by prohibiting "stacking" for the same surgical procedure to the same limb a second or subsequent time based on the minimum ratings in Wis. Admin. Code § DWD 80.32. Instead, PPD ratings are to be based on actual ratings assessed by medical experts.

Enforcement and Uninsured Employer Fund (UEF) Changes

The Act increases consequences for employers who continue operating without required worker's compensation coverage. UEF assessments remain the greater of two times the premium or \$750 for first and second violations, but increase to the greater of three times the premium or \$3,000 for a third violation and four times the premium or \$4,000 for a fourth or subsequent violation. UEF forfeitures also escalate for repeat violations, and additional penalties apply where an employer provides false information about worker's compensation coverage or fails to notify a contracting party that coverage has been cancelled.

Act 145 also shifts expenses for the UEF's insurance service organization from the Worker's Compensation Division operations fund to the UEF, and a related appropriation change under 2025 Wisconsin Act 144 increases the Division's appropriation for the biennium effective April 1, 2026.

Claims Procedure and Evidentiary Changes

The Act tightens hearing practice by requiring a justiciable controversy before the Department will accept a hearing application. In other words, an applicant can't file an application without a dispute just to extend the statute of limitations. Consistent with that change, the Department must dismiss a pending application without prejudice when there are no disputed issues requiring determination. The Act also tolls the statute of limitations while a hearing application is pending, but clarifies that filing an application does not itself extend the limitations period. Instead, the limitations clock resumes when an order is entered approving a compromise or dismissing the application without prejudice. Several of these procedural and case-closure provisions apply regardless of the date of injury.

The legislation also broadens who may provide relevant medical and vocational proof. Advanced practice registered nurses and physician assistants may now render opinions on causation and extent of disability, while audiologists may provide opinions in hearing-loss cases concerning diagnosis, treatment necessity, causation and extent of disability. In addition, Department of Vocational Rehabilitation (DVR) records may be admitted into evidence without requiring a DVR counselor to appear for authentication.

Takeaway

Review your current claim handling, hearing procedures, settlement, medical proof and coverage compliance practices in light of Act 145 and update procedures for hearing applications, statute of limitations tracking, compromise settlement and closure procedures, inpatient case management, PPD evaluation and uninsured employer compliance.

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