

WORKERS' COMPENSATION DEPARTMENT  
FUNDING AND RESERVES

EXHIBIT "A"  
OREGON ADMINISTRATIVE RULES  
CHAPTER 436, DIVISION 70  
FUNDING AND RESERVES

EFFECTIVE JULY 1, 1983

TABLE OF CONTENTS

<b>Rule</b>	<b>Page</b>
436-70-001 Authority for Rules .....	1
436-70-002 Purpose.....	1
436-70-003 Applicability of Rules .....	1
436-70-005 Definitions.....	2
436-70-010 Transfer of Funds to the Retroactive Reserve.....	2
436-70-020 Transfer of Funds to the Second Injury Reserve .....	3
436-70-030 Transfer of Funds to the Administrative Fund.....	3
436-70.040 Limitations on Transfer of Funds .....	3

[ED. NOTE: This Division previously adopted and published by Workers' Compensation Department as Division 55.]

**436-70-001 Authority for Rules**

These rules are promulgated under the Director's authority contained in ORS 656.726 and 656.506

Stat Auth: ORS Ch. 656  
Hist: WCD 3-1983 (Admin). f. 6-30-83, eff. 7-1-83

**436-70-002 Purpose**

The purpose of these rules is to:

- (1) Prescribe the conditions permitting the transfer of the funds as authorized by ORS 656.506; and
- (2) Prescribe the method of effecting such transfer.

Stat Auth: ORS Ch. 656  
Hist: WCD 3-1983 (Admin). f. 6-30-83, eff. 7-1-83

**436-70-003 Applicability of Rules**

These rules are effective July 1, 1983. They apply to any transfer of the one cent deducted from workers' wages pursuant to ORS 656.506 and dedicated to the Administrative

**WORKERS' COMPENSATION DEPARTMENT  
FUNDING AND RESERVES**

---

Fund, Retroactive Reserve, or Second Injury Reserve.

Stat Auth: ORS Ch. 656  
Hist: WCD 3-1983 (Admin). f. 6-30-83. eff. 7-1-83

**436-70-005 Definitions**

As used in the rules, unless the context otherwise requires:

- (1) "Administrative Fund" means funds as defined in ORS 656.612.
- (2) "Director" means the Director of the Workers' Compensation Department.
- (3) "Fiscal Division" means the Fiscal Division of the Workers' Compensation Department.
- (4) "Fund balance" means the balance of a reserve after revenue and investment income has been added and expenditures have been subtracted.
- (5) "Funds" means those moneys from the one-eighth of the money deducted from workers' wages pursuant to ORS 656.506 and placed in the Administrative Fund for the administration, acquisition of equipment and staffing of the rehabilitation facility; and which, when no longer needed for such purposes, may be/or have been transferred to the Retroactive Reserve, or the Second Injury Reserve by the Director.
- (6) "Retroactive Reserve" means the reserve established by ORS 656.636.
- (7) "Second Injury Reserve" means the reserve established by ORS 656.622.
- (8) "Transfer" includes the diversion of money from one reserve to another concurrently with its receipt.

Stat. Auth: ORS Ch. 656  
Hist: WCD 7-1983 (Admin). f. 6-30-83. eff. 7-1-83

**436-70-010 Transfer of Funds to the Retroactive Reserve**

- (1) The Director may transfer all or part of the funds to the Retroactive Reserve when:
  - (a) The expenditures from the Retroactive Reserve exceed the revenue to the Retroactive Reserve and are projected by the Department to continue to do so for a period exceeding more than one year, or
  - (b) Necessary to prevent the Retroactive Reserve Fund balance from falling below that amount necessary to pay one quarter's expenditures of the Retroactive Reserve.
- (2) The transfer shall be effected by a directive addressed to the administrator, Fiscal Division. The directive shall include:
  - (a) That amount to be transferred;
  - (b) The effective date of the transfer, and
  - (c) A statement setting forth that the conditions of section (1) of this rule have been met.
- (3) The transfer made in accordance with section (2) of this rule will remain in effect until terminated by a subsequent directive.

Stat Auth: ORS Ch. 656  
Hist: WCD 3-1983 (Admin). f. 6-30-83. eff. 7-1-83

**WORKERS' COMPENSATION DEPARTMENT  
FUNDING AND RESERVES**

---

**436-70-020      Transfer of Funds to the Second Injury Reserve**

(1) The Director may transfer all or part of the funds to the Second Injury Reserve when:

(a) The revenues to the Retroactive Reserve exceed the expenditures from the Retroactive Reserve and are projected by the Department to continue to do so for a period exceeding more than one year after a benefit increase has been computed into the projected expenditures; or

(b) The combined amount of the projected revenue and fund balance of the Second Injury Reserve falls below the amount necessary to pay the projected expenditures of the Second Injury Reserve for the forthcoming year.

(2) The transfer shall be effected by a directive addressed to the administrator, Fiscal Division. The directive shall include:

(a) The amount to be transferred;

(b) The effective date of the transfer. and

(c) A statement setting forth that the conditions of section (1) of this rule have been met.

(3) The transfer made in accordance with section (2) of this rule will remain in effect until terminated by a subsequent directive.

Stat Auth: ORS Ch. 656

Hist: WCD 3-1983 (Admin). f. 6-30-83. eff. 7-1-83

**436-70-030      Transfer of Funds to the Administrative Fund**

(1) The Director may transfer all or part of the funds to the Administrative Fund when:

(a) Such funds are necessary for the administration, acquisition of equipment and staffing of the rehabilitation facility; and

(b) Expenditures for such administration, acquisition of equipment and staffing has been approved by the Legislature.

(2) The transfer shall be effected by a directive addressed to the administrator, Fiscal Division. The directive shall include:

(a) The amount to be transferred;

(b) The effective date of the transfer, and

(c) A statement setting forth that the conditions of section (1) of this rule have been met.

(3) The transfer made in accordance with section (2) of this rule will remain in effect until terminated by a subsequent directive.

Stat Auth: ORS Ch. 656

Hist: WCD 3-1983 (Admin). f. 6-30-83. eff. 7-1-83

**436-70-040      Limitations on Transfer of Funds**

(1) The minimum fund balance of the Second Injury Reserve shall be the amount necessary to pay the projected expenses of that reserve for a period of two years following the effective date of any transfer.

(2) The minimum fund balance of the Retroactive Reserve shall be the amount necessary

**WORKERS' COMPENSATION DEPARTMENT  
FUNDING AND RESERVES**

---

to pay one quarter's expenditures of the Retroactive Reserve.

(3) The minimum fund balance of that portion of the Administrative Fund established for the administration, acquisition of equipment and staffing of the rehabilitation facility shall be an amount necessary to pay all expenses authorized and encumbered therefore.

(4) The limitations set forth in this rule are subject to moneys available pursuant to ORS 656.506 and 656.637.

Stat Auth: ORS Ch. 656

Hist: WCD 3-1983 (Admin). f. 6-30-83. eff. 7-1-83