

State of Vermont
Department of Labor
Workers Compensation Division
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MEMO

From: Dirk Anderson, Director of Workers' Compensation
Date: July 7, 2025
Re: Statutory Changes to the Workers' Compensation Act Effective July 1, 2025
To: Vermont Workers' Compensation Attorneys and Adjusters

During the recently concluded legislative session, Vermont's General Assembly made several relatively minor changes to our workers' compensation laws. Those changes, which went into effect on July 1, 2025, can be found in Sections 22 through 25 of [Act 40](#). They can be summarized as follows:

- 1) 21 V.S.A. § 601(31) is added to include medical case management services to the benefits or services that can be requested through the preauthorization process. 21 V.S.A. § 640b is likewise amended to extend the same procedural process that currently applies to requests for medical treatment and surgical, medical, and nursing services and supplies, including prescription drugs and durable medical equipment, to requests for medical case management services.
- 2) 21 V.S.A. § 602(d) is added to require that insurance carriers provide translation services at no cost to claimants with limited English proficiency.
- 3) 21 V.S.A. § 650 is amended to increase penalties for multiple late indemnity payments. Penalties for late payments will remain at the greater of \$10.00 or five percent for the first late payment. The penalty will then go up to 10 percent for a second violation, and 15 percent for third and subsequent violations.

The Act also calls for the Department of Labor to conduct a study regarding the frequency of late indemnity payments, due back to the legislature in January of 2027. This will require quarterly reporting by carriers; the Department is working on a reporting form to be distributed to carriers in the near future. You can expect more information on late payment reporting later this summer.

