

Notice No. 42

Date: June 9, 1980

NOTICE TO INSURANCE CARRIERS AND SELF-INSURED EMPLOYERS UNDER
LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

SUBJECT: Penalty Provisions of Section 14(f) of the Longshoremen's and Harbor Workers' Compensation Act

This notice is to inform interested parties of the policy of the Office of Workers' Compensation Programs (OWCP) with respect to assessing penalties against self-insured employers/contractors as provided by Section 14(f) of the Longshoremen's and Harbor Workers' Compensation Act (LHWCA).

Section 14(f) of the LHWCA provides that if compensation payable under the terms of an award is not paid within 10 days after it becomes due, absent the initiation of review proceedings, the issuance of a stay of payments order, then an additional twenty percent of the payable compensation is also payable.

Payment becomes due when the Order is filed in the Office of the Deputy Commissioner. No distinction is made between an award evolved by agreement of the parties such as an award by settlement of an award resulting from a hearing.

No distinction is made between payment by check or by draft. If the check or draft is honored by the bank on which drawn, the time of payment relates back to the date the check or draft is received by the payee. If the check or draft is not promptly honored by the drawee bank, payment is not considered to have been made until the check or draft is honored.

If the tenth day is a Saturday, Sunday or legal holiday, compensation is due on the first business day following that date. This is in accordance with Rule 6(a) of the Federal Rules of Civil Procedure.

NEIL A. MONTONE

Associate Director, Longshore and Harbor Workers' Compensation
