

Are undocumented workers entitled to workers' compensation benefits?

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The federal government has been focused on immigration issues and the U.S. Immigration and Customs Enforcement (ICE) has been conducting "sweeps" in cities across the United States to identify, detain and deport persons illegally in the country. On Dec. 11, 2025, the U.S. Department of Homeland Security announced that Operation Catahoula Crunch, a sweep conducted in New Orleans, has resulted in the arrest of more than 250 illegal or undocumented workers.

Employers may be wondering how this affects employment issues regarding those workers, especially when it comes to the obligation to pay workers' compensation benefits. Anticipating continued immigration sweeps, an understanding of workers' compensation claims involving undocumented workers is important for employers to understand.

Arguments for and against denying workers' compensation claims

Proponents of denying workers' compensation benefits to undocumented workers argue that because of the undocumented or illegal immigration status, there is no valid employment contract that is enforceable between the undocumented worker and the employer. They contend that in the absence of a valid employer/employee relationship, there can be no obligation to pay workers' compensation benefits. They suggest that detention and deportation from the U.S. is equal to incarceration and many states deny workers' compensation benefits during any period of incarceration.

Opponents of the denial of workers' compensation benefits to undocumented workers argue that workers' compensation laws serve the purpose of placing the financial burden of employee injuries on the employers who benefit from the workers' labor, rather than on society or the workers themselves.

How states are currently handling claims for undocumented workers

In many states, undocumented workers who are injured on the job are entitled to workers' compensation benefits despite it being illegal for the employers to hire undocumented workers, although there are some caveats.

In Alabama in 2005, Jefferson County Circuit Judge G. William Noble signed an order holding that an illegal worker was entitled to workers' compensation benefits. The precedential importance of this case is uncertain because the decision was not appealed.

In *Champion Autobody v. Gallegos*, a case in Colorado (Colo. App. Ct. 1997), the court held that illegal workers may collect benefits for work-related injuries as long as the work is related to the injury.

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Florida law prohibits the payment of workers' compensation benefits to an injured worker if the employment was entered into under false information or pretenses. This means that if the undocumented worker provided a false Social Security number or otherwise misrepresented their status, the employer and carrier have the right to contest benefits.

In *Sanchez v. Eagle Alloy*, a 2003 case in the Michigan Court of Appeals, the court held that illegal workers are entitled to workers' compensation medical benefits but are not entitled to disability or indemnity benefits because they committed a crime in violating the Immigration Reform and Control Act of 1986.

Changes are already on the horizon

With the current administration continuing its efforts to detain and deport illegal workers, this could mean there will be a shift in the way states handle workers' compensation benefits for

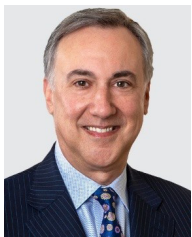
undocumented workers. Changes are already on the horizon in Michigan and Florida.

As reported by MLive.com on Dec. 12, 2025, the Michigan Supreme Court declined to hear a challenge to a state policy that denies workers' compensation to undocumented workers who are injured in the course of employment. In 2021, the Michigan Immigrant Rights Center sued Michigan Governor Gretchen Whitmer, seeking to challenge a Michigan Court of Appeals ruling that found that workers' compensation benefits were not owed to workers whenever "commission of a crime" prevented the person from obtaining or performing work.

With the current focus on the detention and deportation of undocumented workers, it would not be a surprise to see the federal government and more states revising their workers' compensation statutes to deny benefits.

The trial court held that using false documents to obtain a job constituted a crime. The Court of Appeals ultimately held that the Michigan Immigrant Rights Center did not file suit timely. After a hearing in October 2025, the Michigan Supreme Court ruled 4-3 that the Michigan Immigrant Rights Center should not be allowed to appeal the decision.

About the authors



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As reported in a Dec. 3, 2025, post on the Florida Politics website, Chief Financial Officer Blaise Ingoglia is backing legislation to deny workers' compensation benefits to undocumented workers. The legislation seeks to remove illegal immigrants as "covered employees" under Florida's workers' compensation statute.

If the legislation is enacted, companies that hire undocumented workers could be required to pay out of pocket for work related injuries to those workers, rather than relying on workers' compensation insurance coverage. As proposed, employers would be required to use an E-Verify system when submitting workers' compensation claims after an injury to establish that the worker was legally hired.

What the future holds

It is generally considered that there are currently 32 "red" states and 18 "blue" states. If the "red" states follow the lead of Michigan and Florida, this could significantly impact the administration of claims and provide an additional defense to employers and carriers.

With the current focus on the detention and deportation of undocumented workers, it would not be a surprise to see the federal government and more states revising their workers' compensation statutes to deny workers' compensation benefits to undocumented workers in this country.

Alan G. Brackett is a regular contributing columnist on workers' compensation law for Reuters Legal News and Westlaw Today.

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