



PRESS RELEASE

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FOR IMMEDIATE RELEASE

Changes Coming on BWC Payroll Report and Premium Calculations

Many private, group-rated employers in Ohio will see significant rate and premium increases calculated on their payroll report (DP-21) form the Ohio Bureau of Workers' Compensation (BWC) will be sending in the next few weeks.

BWC mails the payroll report forms to all private, state-funded employers in late December and late June of each year. Each employer's payroll report for the period ending December 31, 2009 must be submitted with a premium payment to BWC on or before Monday, March 1, 2010, or coverage will lapse. A lapse in coverage exceeding 40 days will not only make an employer financially responsible for the costs of any claim incurred during the lapse, but it can also cause ineligibility for future group rating or other alternative rating program discounts.

Many of BWC's prior rate reform changes will be reflected on the payroll report and premium calculation payable by March 1, 2010. While there was an overall 25 percent average base rate reduction for Ohio's private employers, group-rated employers should be prepared to see their premiums increase by as much as 70 percent compared to the previous year due to BWC's reduction in group discounts and introduction of a break-even factor.

Employers can complete their payroll reports manually and submit the form with their payment, or they can report payroll and pay premiums online through BWC's website, www.ohiobwc.com. Employers can print their completed payroll report, attach it to their check and mail both to BWC. Premiums can also be paid through Quick Pay, an online feature which allows employers to use credit cards (MasterCard, VISA or American Express) for payment, or employers can authorize payments from their checking or saving accounts. Employers can also establish their own payment plan through the Flexible Payment Plan (FlexPay). This allows employers to create their own online quarterly or monthly payment schedule. If coverage was to lapse, the date the payment is made online or the date BWC receives the payment will be the date of coverage reinstatement.

The following points will help in completing the payroll report accurately:

- Report payroll under the manual classification that best describes each employee's type of work;

- Use BWC's online listing of "What is reportable payroll?" to help determine the correct amounts to report;
- Generally, BWC considers gross hourly wages and salaries, overtime pay, sick pay, bonus payments, sales commissions, tips, severance pay, shift or holiday differential pay, voluntary employee contributions to retirement plans (401K) and payments to casual/spot labor as reportable payroll;
- Active officers of a corporation, sole proprietors, partners and individuals incorporated (with no employees) are subject to minimum and maximum payroll reporting requirements. For the reporting period ending December 31, 2009, the minimum required is \$384 per person per week and the maximum is \$1,151;and,
- Payroll reporting limits exist for employers using manual classifications in the construction industry (BWC Industry Group 4). For the reporting period ending December 31, 2009, the reportable payroll for construction employees is not to exceed \$1,151 per person per week.

In today's economic climate, you also need to be aware of BWC's 50/50 Payment Plan Option. Under this option, the employer can pay 50 percent of their full premium by March 1, 2010 and the remaining 50 percent balance a few months later. There is no financial penalty or interest charged by BWC for using this option.

Employers should contact CareWorks Consultants, toll-free, at 1-800-837-3200 for assistance or additional information regarding completing the payroll report and making your premium payment.