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April 15, 2005

Payroll Letter 877

To: HR Administrators, Payroll Officers, Personnel Officers, Fiscal Officers, Labor Relations Officers and EEO Officers of All Departments, Institutions, Boards and Commissions

From: Dan R. Parks, State Payroll Administrator

Subject: Intentional Tort Fund Credit and WC Rate Adjustments

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Effective pay period ending 04/16/2005 (payday April 29<sup>th</sup>), a net adjustment will be applied to your agency's Workers Compensation Employer Contribution, payroll object of expense 035-04, a fringe payroll cost. The net adjustment is the result of a State Supreme Court ruling regarding Intentional Tort and two adjustments as a result of incorrect applications of FY04 and FY05 Workers Compensation premium rates. The adjustment will remain in effect for an estimated one or two pay periods until the net adjustment to the agency is capped. The adjustments are further described below.

### ***Intentional Tort Fund (ITF)***

The Intentional Tort Fund (ITF) was created by the Ohio Legislature in 1986 to insure employers for work-related awards for employee punitive damages and employer legal fees. Between 1987 and 1991, the Ohio Bureau of Workers' Compensation (BWC) collected roughly \$30 million in employer premiums. In August 1991, the State Supreme Court ruled that the ITF was unconstitutional and the legislature directed BWC to return these monies to employers that had paid into the fund. As a result of investment earnings, the total refund is approximately \$66 million to Ohio employers. The state of Ohio (state agencies) will receive a refund of approximately one million dollars. With the recent conclusion of ongoing litigation, the BWC is now in the process of distributing the money in the form of credits.

### ***WC Rate Adjustments***

Changes in Workers Compensation (WC) premium rates for state agencies normally occur at the beginning of each fiscal year and are implemented the last pay period in June. For FY04 and FY05, changes in WC premium rates were not applied consistently. Therefore, BWC has notified DAS that an adjustment is required for FY04 and FY05.

For FY04, the new WC premium rates were implemented one pay period late; this resulted in an underpayment of WC premiums for the majority of agencies (i.e., agencies owe premiums to the BWC). For FY05, the new rates were implemented one pay period early; this resulted in an overpayment of WC premiums for the majority of agencies for that pay period (i.e., a credit is due).

### ***Adjusted WC Rate Calculation***

As a result of the combination of the ITF refund and the two WC Rate Adjustments, some state agencies owe the BWC premiums, while others are due a credit from the BWC. HRD Payroll Administration has calculated the appropriate WC Rate Adjustment for each agency. This adjustment will be applied to your agency's Workers Compensation Employer Contribution during pay period ending 04/16/2005.

The attached spreadsheet lists:

- The agency
- The agency's workers' compensation policy number
- The successor policy number when the agency/board/commission is no longer in existence. Note that for agencies/boards/commissions that have no intentional tort refund credit, no successor number is listed as no monies were ever collected.
- The amount of the intentional tort refund to be credited to the agency (for agencies with multiple policy numbers, the amount of each refund is then totaled for your agency)
- The pay period ending date in which an error was made regarding WC premiums rates
- The total credit or debit (positive numbers indicate an amount owed and negative numbers indicate a credit to the agency).

Should you have any questions concerning the ITF credit, please contact Carol Wander, BWC Manager, Accounts Receivable at (614) 466-6049. Other questions may be directed to the HRD Payroll Administration Office at (614) 466-6915.

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attachment

**Intentional Tort Fund Credits and WC Rate Adjustments**

Description	Policy Number	Successor Policy Number	ITF Refund	Error on 1st Rpt				WC Rate Adjustment	
				for 2H2003 7/15/03	Error on Rpt for PPE 06/28/04	Error on Rpt for PPE 07/10/04	Error on Rpt for PPE 07/24/04		Error on Rpt for PPE 08/07/04
JUDICIARY/SUPREME CT/JUDICIAL CONF	10003101	10003101	-\$1,592.72	-\$21.17				-\$1,613.89	
SENATE	10003102	10003102	-\$231.55	\$301.05				\$69.50	
HOUSE OF REPRESENTATIVES	10003103	10003103	-\$387.45	\$637.20				\$249.75	
LEGISLATIVE SERVICES COMMISSION	10003105	10003105	-\$188.00	\$359.52				\$171.52	
LIEUTENANT GOVERNOR	10003108	10003106	-\$8.41					-\$8.41	
GOVERNORS OFFICE	10003106	10003106	-\$56.02	\$89.47				\$33.45	
			-\$64.43	\$89.47	\$0.00	\$0.00	\$0.00	\$0.00	\$25.04
SECRETARY OF STATE	10003109	10003109	-\$670.99	\$219.12				-\$451.87	
ATTORNEY GENERAL	10003110	10003110	-\$1,126.14	\$2,482.28	-\$897.71			\$458.43	
AGRICULTURE	10003111	10003111	-\$6,717.42	\$765.01	-\$372.61			-\$6,325.02	
LIQUOR CONTROL BOARD	10003300	10003112	-\$36,793.22	\$0.00				-\$36,793.22	
INDUSTRIAL RELATIONS OF OHIO	10003116	10003112	-\$5,227.57	\$0.00	\$0.00			-\$5,227.57	
COMMERCE	10003112	10003112	-\$2,045.36	\$9,361.38	-\$1,715.39			\$5,600.63	
			-\$44,066.15	\$9,361.38	-\$1,715.39	\$0.00	\$0.00	\$0.00	-\$36,420.16
EDUCATION	10003113	10003113	-\$2,336.92	\$1,300.22	-\$661.25			-\$1,697.95	
HEALTH	10003114	10003114	-\$4,919.71	\$1,935.85	-\$944.49			-\$3,928.35	
INDUSTRIAL COMMISSION	10003115	10003115	-\$21,087.07	\$706.34	-\$343.38			-\$20,724.11	
PUBLIC UTILITIES COMMISSION	10003117	10003117	-\$4,255.44	\$1,383.31	-\$520.28			-\$3,392.41	
TAXATION	10003120	10003120	-\$2,665.81	\$1,793.07	-\$906.34			-\$1,779.08	
WORKERS COMPENSATION	10003121	10003121	-\$20,423.41	\$31,675.74	-\$6,584.68			\$4,667.65	
AUDITOR OF STATE	10003122	10003122	-\$3,869.00	\$1,388.04	-\$637.96			-\$3,118.92	
TREASURER OF STATE	10003124	10003124	-\$1,273.41	\$221.72				-\$1,051.69	
TRANSPORTATION RESEARCH CENTER	10003189	10003125	-\$1,155.01					-\$1,155.01	
VETERANS' CHILDREN'S HOME	10003135	10003125	-\$3,263.37					-\$3,263.37	
STATE & LOCAL GOVERN'T COMMISSION	10003517	10003125	-\$5.16	\$0.00				-\$5.16	
STUDENT AID COMMISSION	10003522	10003125	-\$204.46	\$0.00				-\$204.46	
CERTIFICATE OF NEED REVIEW BOARD	10003534	10003125	-\$2.82	\$0.00				-\$2.82	
OHIO COMMUNITY SERVICE	10005902	10003125		\$17.18	-\$64.65	-\$63.46	-\$63.77	-\$64.68	-\$239.38
ADMINISTRATIVE SERVICES	10003125	10003125	-\$13,859.61	\$8,127.19	-\$2,498.48			-\$8,230.90	
			-\$18,490.43	\$8,144.37	-\$2,563.13	-\$63.46	-\$63.77	-\$64.68	-\$13,101.10
BOARD OF REGENTS	10003127	10003127	-\$94.52	\$162.41				\$67.89	
LIBRARY BOARD	10003130	10003130	-\$440.65	\$390.53				-\$50.12	
EDUCATION BROADCASTING COMMISSION	10003134	10003134	-\$32.66	\$40.90				\$8.24	

**Intentional Tort Fund Credits and WC Rate Adjustments**

Description	Policy Number	Successor	Error on 1st Rpt				WC Rate Adjustment			
		Policy Number	ITF Refund	for 2H2003 7/15/03	Error on Rpt for PPE 06/28/04	Error on Rpt for PPE 07/10/04		Error on Rpt for PPE 07/24/04	Error on Rpt for PPE 08/07/04	
VETERANS' HOME	10003136	10003136	-\$9,524.64	\$3,912.21	-\$2,305.06					-\$7,917.49
YOUTH SERVICES	10003137	10003137	-\$35,036.67	\$66,266.89	-\$18,149.30					\$13,080.92
ARTS COUNCIL	10003139	10003139	-\$46.32	\$62.45						\$16.13
MENTAL HEALTH	10003150	10003150	-\$183,228.37	\$3,536.83	-\$14,125.88					-\$193,817.42
EXPOSITIONS COMMISSION	10003152	10003152	-\$1,266.40	\$338.15	-\$150.63					-\$1,078.88
NATURAL RESOURCES WILDLIFE	10003000	10003154	-\$726.76		-\$1,307.75					-\$2,034.51
DEPARTMENT OF NATURAL RESOURCES	10003154	10003154	-\$19,539.33	\$29,729.15	-\$5,126.55					\$5,063.27
			<u>-\$20,266.09</u>	<u>\$29,729.15</u>	<u>-\$6,434.30</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$3,028.76</u>
ADJUTANT GENERAL	10003156	10003156	-\$5,139.00	\$4,788.52	-\$874.23					-\$1,224.71
DEVELOPMENT	10003166	10003166	-\$802.21	\$1,144.15	-\$565.99					-\$224.05
INSURANCE	10003167	10003167	-\$1,485.93	\$452.73	-\$215.95					-\$1,249.15
RACING COMMISSION	10003169	10003169	-\$40.78	\$49.84						\$9.06
CIVIL RIGHTS COMMISSION	10003170	10003170	-\$235.75	\$62.26						-\$173.49
OHIO STATE BARBER BOARD	10003171	10003171	-\$9.87	\$9.15						-\$0.72
BOARD OF COSMETOLOGY	10003172	10003172	-\$28.34	\$43.73						\$15.39
DENTAL BOARD	10003173	10003173	-\$11.59	\$23.49						\$11.90
BOARD OF EMBALMERS & FUNERAL DIRECTORS	10003174	10003174	-\$6.67	\$10.11						\$3.44
MEDICAL BOARD	10003175	10003175	-\$50.11	\$121.31						\$71.20
OHIO BOARD OF NURSING	10003176	10003176	-\$28.90	\$83.40						\$54.50
OPTOMETRY BOARD	10003177	10003177	-\$4.71	\$6.20						\$1.49
PHARMACY BOARD	10003178	10003178	-\$41.52	\$91.07						\$49.55
VETERINARY MEDICAL BOARD	10003179	10003179	-\$3.18	\$4.55						\$1.37
ACCOUNTANCY BOARD	10003180	10003180	-\$7.37	\$16.98						\$9.61
ARCHITECTS BOARD	10003181	10003181	-\$6.02	\$5.59						-\$0.43
ENGINEERS & SURVEYORS BOARD	10003183	10003183	-\$9.22	\$9.65						\$0.43
REHABILITATION SERVICES COMMISSION	10003187	10003187	-\$3,856.22	\$1,724.97						-\$2,131.25
REHABILITATION & CORRECTIONS	10003188	10003188	-\$76,610.15	-\$8,060.62	-\$65,649.19					-\$150,319.96
ENVIRONMENTAL PROTECTION AGENCY	10003190	10003190	-\$1,086.37	\$635.64	-\$322.90	-\$1.22	-\$1.23	-\$1.22		-\$777.30
BUDGET & MANAGEMENT	10003191	10003191	-\$174.95	-\$3.52						-\$178.47
AGING	10003192	10003192	-\$5,924.12	\$278.54						-\$5,645.58
COURT OF CLAIMS	10003193	10003193	-\$66.30	\$63.91						-\$2.39
LEGAL RIGHTS SERVICE	10003194	10003194	-\$49.75	\$98.92						\$49.17
TRANSPORTATION	10003200	10003200	-\$144,550.84	-\$36,045.46	-\$31,118.23					-\$211,714.53

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UNDERGROUND STORAGE TANK BOARD	10003202			\$21.42				\$21.42
OFFICE OF INSPECTOR GENERAL	10003203			\$14.89				\$14.89
STATE UNDERGROUND PARKING	10005700	10003204	-\$42.33	\$0.00				-\$42.33
CAPITAL SQUARE REVIEW & ADVISORY BD	10003204			\$77.36				\$77.36
			-\$42.33	\$77.36	\$0.00	\$0.00	\$0.00	\$0.00
OFFICE OF CRIMINAL JUSTICE	10003205			\$60.00				\$60.00
OHIO MEDICAL TRANSPORTATION BOARD	10003206			\$4.16				\$4.16
ARTS & SPORTS FACILITIES COMMISSION	10003207			\$18.10				\$18.10
JOINT LEGISLATIVE ETHICS COMMISSION	10003208			\$8.98				\$8.98
LAKE ERIE COMMISSION	10003209			\$4.50				\$4.50
ELECTIONS COMMISSION	10003210			\$11.46				\$11.46
PUBLIC SAFETY	10003400	10003400	-\$24,906.93	\$35,383.56	-\$8,534.36			\$1,942.27
PUBLIC DEFENDERS COMMISSION	10003501	10003501	-\$112.49	\$199.27				\$86.78
CONSUMER'S COUNSEL	10003504	10003504	-\$109.04	\$128.53				\$19.49
COMMISSION ON HISPANIC/LATINO AFFAIRS	10003512	10003512	-\$2.46	\$1.03				-\$1.43
SPEECH PATHOLOGY & AUDIOLOGY BOARD	10003516	10003516	-\$3.00	\$7.73				\$4.73
OPTICAL DISPENSERS BOARD	10003518	10003518	-\$4.44	\$6.85				\$2.41
MENTAL RETARDATION	10003519	10003519	-\$219,223.96	-\$1,667.95	-\$38,827.52			-\$259,719.43
BOARD OF CHIROPRACTIC EXAMINERS	10003520	10003520	-\$5.27	\$10.24				\$4.97
EMPLOYMENT RELATIONS BOARD	10003521	10003521	-\$93.62	\$59.91				-\$33.71
ETHICS COMMISSION	10003523	10003523	-\$15.46	\$34.19				\$18.73
AIR QUALITY DEVELOPMENT AUTHORITY	10003524	10003524	-\$4.44	\$7.58				\$3.14
LIQUOR CONTROL COMMISSION	10003525	10003525	-\$12.31	\$12.60				\$0.29
PSYCHOLOGY BOARD	10003527	10003527	-\$5.41	\$8.78				\$3.37
OCCUPATIONAL & PHYSICAL THERAPY BOARD	10003528	10003528	-\$5.18	\$13.50				\$8.32
COUNSELORS & SOCIAL WORKERS BOARD	10003529	10003529	-\$6.29	\$16.35				\$10.06
SANITARIAN REGISTRATION BOARD	10003530	10003530	-\$0.72	\$1.93				\$1.21
ATHLETIC COMMISSION	10003531	10003531	-\$1.28	\$1.87				\$0.59
COMMISSION ON MINORITY HEALTH	10003532	10003532	-\$3.22	\$10.78				\$7.56
DIETETICS BOARD	10003533	10003533	-\$1.62	\$5.97				\$4.35
ALCOHOL & DRUG ADDICTION SERVICES	10003535	10003535	-\$11.81	\$283.37	-\$123.68			\$147.88
COMMISSION ON DISPUTE RESOLUTION	10003536			\$8.78				\$8.78
RESPIRATORY CARE BOARD	10003537		-\$0.32	\$5.26				\$4.94

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OHIO PUBLIC WORKS COMMISSION	10003538			\$27.52				\$27.52	
OHIO TUITION TRUST AUTHORITY	10003539			\$44.51				\$44.51	
LOTTERY COMMISSION	10005900	10005900	-\$5,472.08	\$7,459.46	-\$1,807.05			\$180.33	
BUREAU OF EMPLOYMENT SERVICES	10005000	10005910	-\$16,095.45	\$20,496.04				\$4,400.59	
DEPARTMENT OF HUMAN SERVICES	10003118	10005910	-\$6,601.60					-\$6,601.60	
JOB & FAMILY SERVICES	10005910		\$0.00	\$0.00	-\$4,409.29			-\$4,409.29	
			-\$22,697.05	\$20,496.04	-\$4,409.29	\$0.00	\$0.00	\$0.00	-\$6,610.30
OHIO SCHOOLNET COMMISSION	10005901		-\$687.84	\$0.00				-\$687.84	
JOINT COMMISSION ON AGENCY RULE REVIEW	10005903			\$5.88				\$5.88	
OHIO SCHOOLS FACILITIES COMMISSION	10005904			\$90.77				\$90.77	
MOTOR VEHICLE COLLISION REPAIR BOARD	10005906			\$4.85				\$4.85	
COMMISSION ON AFRICAN AMERICAN MALE	10005909			\$4.24				\$4.24	
BOARD OF PROPRIETARY SCHOOL REGISTRATION	10005911			\$5.15				\$5.15	
BOARD OF TAX APPEALS	10005912			\$44.87				\$44.87	
PERSONNEL BOARD OF REVIEW	10005913			\$21.70				\$21.70	
S. OHIO AGRICULTURAL & COMMUNITY DEV	10005914			\$8.73				\$8.73	
TOBACCO USE PREV & CONTROL FOUNDATION	10005923			\$24.75				\$24.75	
ORTHOTICS, PROSTHETICS & PEDORTHICS BD	10005924			\$1.52				\$1.52	