



July 07, 2010

Payroll Letter 949
Supersedes Payroll Letter 939

To: Agency HR Specialists, Payroll Specialists, Budget Specialists, Benefits Specialists, Labor Relations Specialists, and Regulatory Requirements Specialists of All Departments, Institutions, Boards and Commissions

From: Janet M. Wampler, State Payroll Manager

Subject: Workers Compensation Rates for Fiscal Year 2011

Attached are new workers' compensation rates for fiscal year 2011. These rates will be used to calculate the employer contribution for workers' compensation, payroll expense account 503504. The new rates will be effective for the pay period ending June 19, 2010, for biweekly delayed (BWD) payrolls, pay period ending July 3, 2010, for biweekly current (BCR) payrolls and pay period ending July 31, 2010 for both monthly current (MCR) and monthly advanced payrolls.

Workers' Compensation rates are composed of the following five elements:

- A. Basic Premium (Rate), which is based on five years experience for each agency.
- B. Administrative Cost (Admin) assessment will be 16.1604% of base premium rate. The administrative cost is segregated into the Bureau of Workers' Compensation portion equal to 12.85%, the Industrial Commission's portion equal to 3.31%, and the newly formed Workers' Compensation Council portion equal to .0004%. **Note:** The Workers' Compensation Council was created for the purpose of reviewing the soundness of the workers' compensation system and legislation involving or affecting the workers' compensation system. The council is not involved in the daily operations and oversight of the Bureau of Workers' Compensation or the Industrial Commission (see OAC 4121.75).
- C. Disabled Workers' Relief Fund (DWRFF1) assessment, to cover injuries before 1987, is uniform for all agencies at \$.05 per one hundred dollars of payroll.
- D. Additional Disabled Workers' Relief Fund (DWRFF2) assessment, to cover injuries on and after January 1, 1987, is uniform for all agencies at one-tenth of one percent of base premium rate.

- E. MCO Fees of 10.12% of the base rate for the purpose of payment of fees to the managed care organizations that manage the claims of state agencies. **Note:** While the MCO fee is 10.12% of premium, the MCO fee rate shown in the table also includes a 'true-up' of actual costs. Agencies that utilized MCO services more or less than the rate charged for the prior year will have adjusted costs added or subtracted to the new premium year.



Microsoft Office
Excel Worksheet