

June 13, 2011

**Payroll Letter 954**  
Supersedes payroll letter 949

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 2012

Attached are new workers compensation rates for fiscal year 2012. These rates will be used to calculate the employer contribution for workers compensation, payroll expense account 503504. The new rates will be effective pay period ending June 18, 2011 for biweekly delayed (BWD) payrolls, pay period ending July 2, 2011 for biweekly current (BCR) payrolls.

Workers Compensation Blended Rates for FY 2012 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 14.62% of base premium rate. The administrative cost is segregated into the Bureau of Workers' Compensation portion equal to 11.31% and the Industrial Commission's portion equal to 3.31.
- C. Disabled Workers' Relief Fund (DWRF1) 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 (DWRF2) 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 10.69% 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 10.69% 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.



PES Blended Rates -  
FY12 - DAS Only.xlsx