

# May 2020 BWC News from CareWorks Comp

*“Spring is the time of the year when it is summer in the sun and winter in the shade.” ~Charles Dickens*

We all know that the spread of Coronavirus (COVID-19) is an escalating global health concern. We also recognize that a widespread outbreak could place increased demands on our capacity to meet those needs. At CareWorks Comp we're prepared to support our clients' needs in our areas of expertise. For the most current and up-to-date information from the Ohio BWC regarding COVID-19 topics, please visit the BWC's website at: [BWC COVID-19 Information](#) to read the Frequently Asked Questions document.

## **MCO Open Enrollment: MOVED to May 2021**

Due to the impact of the COVID-19 on Ohio's business community, the Ohio Bureau of Workers' Compensation is postponing this year's enrollment period for employers to select a managed care organization (MCO).

The next official enrollment period is scheduled for May 3 - May 28, 2021.

## **BWC \$1.6 Billion Dividend Sent to Ohio Employers**

The Ohio BWC Board of Directors approved a \$1.6 Billion Dividend to ease the economic impact of the coronavirus pandemic on Ohio's economy and business community. Of the \$1.6 billion dividend, approximately \$1.4 billion will go to private employers and approximately \$200 million will go to local government taxing districts, such as counties, cities, townships, and schools. Thanks also to strong investment returns, the dividend equals approximately 100% of the premiums employers paid in policy year 2018 (7/1/2018-6/30/2019). BWC will apply the dividend to any outstanding balances employers may have first, including the recent installment deferrals. Any amounts exceeding outstanding balances will be sent to the employer. The BWC will not rebate any premium savings you had from the Go Green rebate, Lapse Free rebate, Drug Free Safety Program rebate, ISSP rebate, Safety Council rebate or the Early Payment discount.

### **What if your organization was in a Group Retrospective Rating Program during the 2018 policy year?**

Private employers will receive 100% of their experience-rated premium as of April 4, 2020. The 2018 12-, 24-, and 36-month evaluations will occur to capture the performance of the groups, but no further financial transactions impacting the 2018 policy will post to the employers' policies.

## **Still able to Adjust Estimated 2019 Policy Year Payroll**

Did you know that employers can still change their 2019 payroll? Employers have until 5/29/2020 to make the change. This helps private employers in two ways: if they did have layoffs it will reduce or possibly eliminate the deferred installment payments. Also, it may reduce their 2020 installments as well because the Ohio BWC will be using 2019 estimated payroll to determine a company's 2020 installments.

## 2-hour Green Period Claim Safety Training Waiver

Normally the Ohio BWC would require Group Experience and Group Retrospective rating participants with a claim occurring in the green period to complete a two-hour training class by June 30, 2020 for private employers, or by December 31, 2020 for public employers. However, due to the COVID-19 pandemic, the Ohio BWC is waiving the program's safety activity requirements for the 2019/2020 program year. Although the BWC has waived the safety training requirement, the BWC is encouraging employers to take advantage of the online training that they provide. [Click here for information about the online classes the BWC offers.](#)

## CareWorks Comp offering 2020 Spring Seminars via Video due to COVID-19

In response to COVID-19 prevention measures and in consideration for the health and safety of our clients and our colleagues, **CareWorks Comp is offering this year's seminar content via video.** If you have already registered for an onsite seminar, a CareWorks Comp colleague will reach out to you to discuss this video option. We are committed to maintaining services critical to client success. For questions or registration please contact Marcia Dennis at 614.956.2323 or [Marcia.Dennis@careworkscorp.com](mailto:Marcia.Dennis@careworkscorp.com)

## Update: BWC Safety Council Attendance Credits for 2019 Policy Year

The Ohio BWC has determined how to proceed with the 7/1/19-6/30/20 Safety Council Rebate Program in the midst of COVID-19. Safety council sponsors have been directed to cancel March, April, May, and June safety council meetings.

Therefore, the BWC will provide the FY20 rebate to safety council members who, **as of February 29, 2020, had attended at least FOUR safety council meetings.** This determination was based on crediting each member with one meeting credit for each cancelled meeting, the maximum of two external training credits and waiving the CEO attendance and calendar year 2019 semi-annual report requirements.

Although the BWC realizes a small number of safety councils host more than one meeting a month late in the program year, they are granting relief for only one safety council meeting credit per month in March, April, May, and June. This resolution reinforces the program's goal of active participation for the purpose of education, networking and resource sharing and, unfortunately, members who condense participation to the latter part of the program year will not appreciate relief from this solution.

Ultimately, employers that the BWC determines have earned the rebate under the revised guidelines will receive the maximum percentage rebate allowed per their BWC group-rating status:

- 2% for Group-Retrospective-Rated employers eligible for the participation rebate.
- 2% for employers Group-Experience-Rating employers eligible for the performance bonus - there will be no claims data measurement calculation.
- 4% for employers not enrolled in a BWC Group-Rating Program.

Your safety council sponsor will submit July 1, 2019 through February 29, 2020 attendance records to the Ohio BWC when normal business operations resume. The timeline for the processing of these rebates is yet to be determined but the BWC will continue to update safety council sponsors when you should expect FY20 safety council program rebate checks.

## **Advanced and Basic Level DFSP Annual Report Reminder**

If your company or organization is enrolled in the Ohio BWC's Advanced or Basic Level Drug Free Safety Program, don't forget to complete the online annual report by June 1, 2020. This report also serves as an application for the next program year. This report is available online at [www.bwc.ohio.gov](http://www.bwc.ohio.gov).

**IMPORTANT:** In addition to the report and supplemental documentation, please provide an explanation of all program requirements that could not be completed as a result of limitations imposed due to the COVID-19 pandemic. These requirements may be waived as a result of the pandemic. To retain your bonus eligibility and/or remain approved on the state contractor list, you must complete your annual report and provide all required documentation no later than June 1, 2020.

## **Is COVID-19 a Compensable Workers' Compensation Claim?**

Ohio BWC (as of 3/21/2020)

It depends on how you contract it and the nature of your occupation. Generally, communicable diseases like COVID-19 are not workers' compensation claims because people are exposed in a variety of ways, and few jobs have a hazard or risk of getting the diseases in a greater degree or a different manner than the general public. However, if you work in a job that poses a special hazard or risk and contract COVID-19 from the work exposure, BWC could allow your claim. For More Information:

<https://info.bwc.ohio.gov/wps/portal/bwc/site/employer/resources/covid19questions/>

## **Industrial Commission Suspending In-Person Hearings**

The Ohio Industrial Commission announced that beginning Wednesday, March 18, the Commission will begin conducting hearings by telephone for the following issues: permanent total disability, temporary total disability or the termination of temporary total disability, wage loss, allowance and additional allowance. All other hearing issues will be continued. CareWorks Comp will keep you updated on the status of hearings as the Ohio Industrial Commission makes them available.

## **Update on Employer Program Reporting/Requirement Deadlines**

Some good news: The Ohio BWC is waiving all safety education and training requirements for this current 7/1/19 - 6/30/20 policy year for private employers for participants in the following programs:

- Drug-Free Safety Program.
- EM Cap Program.
- Grow Ohio.
- Industry-Specific Safety Program.
- One Claim Program.
- Policy Activity Rebate Program.

Discounts offered through these programs will be applied automatically. The 2020 public employer program participant requirements will be reviewed by the BWC in June. CareWorks Comp will communicate the BWC's plans with you at that time. Additionally, the annual report deadline submission for Drug-Free Safety Program participants has been extended to June 1, 2020.

## Changes to Payroll Reporting as a Result of COVID-19

The BWC-Employer Services Division will implement two changes in payroll reporting requirements as a result of the COVID-19 pandemic and state of emergency. Please refer to the details below regarding the Families First Coronavirus Response Act and reportable wages associated with teleworking staff. Since these changes may impact how employers will report payroll for the upcoming policy year 2019 true-up period, we want to distribute this information immediately to allow employers time to prepare for any changes in the way they track or record employee wages. This information will also be included in the BWC COVID-19 Frequently Asked Questions (FAQ) available on the BWC web.

### **Q: Is emergency sick leave and expanded FMLA paid to employees under the Families First Coronavirus Response Act reportable when submitting true-up payroll?**

A: No. Emergency sick leave and expanded FMLA paid to employees under the Families First Coronavirus Response Act will not be reportable to BWC for premium purposes. While regular paid sick leave (including third party sick pay) is reportable to BWC, emergency sick leave and expanded FMLA paid under this act is not reportable. Effective 4/1/20 through 12/31/20, wages paid by companies under the Families First Coronavirus Response Act for sick leave related to COVID-19 and leave time to care for a child whose school or childcare provider is closed or unavailable for COVID-19 related reasons are not reportable to BWC. Employers must follow the eligibility and documentation guidelines established by the Federal Government to exclude these wages from their reportable payroll and premium calculation at true-up. Wages reported to BWC for premium calculation purposes is subject to verification by a premium audit.

### **Q: How will employers report wages at true-up for operational employees who are teleworking as a result of Governor DeWine's "Stay at home" order while receiving wages from the employer?**

A: Employers are permitted to report operational staff currently teleworking to class code 8871- Clerical Telecommuter during a declared state of emergency. This will ease the economic impact of the COVID-19 state of emergency on the Ohio Business Community.

- The employer must contact BWC to request classification code 8871-Clerical Telecommuter Employees to be added to their policy. This will allow the employer to report wages to class code 8871 during the True-up period.
- The Employer is responsible for recording, tracking and documenting the wages associated with the operational employees now teleworking for premium audit purposes.
- If the operational staff continues to perform the same duties from home while teleworking, the employer will continue to report those wages to the appropriate operational classification code, not to class code 8871.
- For example: the employer manufactures surgical masks. The employees have been sent home with the equipment and materials to continue to sew these masks to meet customer demands. These employees are not 8871 Clerical teleworking employees. The classification assigned to these employees remain **2501-Cloth, canvas and related products manufacturing**. The exposures for the employees do not change.
- This temporary revision to the class code assignment rule only applies during the time of Governor DeWine's "Stay at home" order, which was initiated on March 15, 2020.
- The employer is to cease reporting operational employees' wages to class code 8871 once the state of emergency has ended or if the operational employee(s) return to performing their previous job duties.

- To request the addition of class code 8871- Clerical Telecommuter Employees to your policy, contact 1-800-644-6292 or send an email to [RTSclass@ohiobwc.com](mailto:RTSclass@ohiobwc.com). Please include your policy number in your email request.

**Q: Will employers who have suspended operations due to the COVID-19 who are paying employees while they are idle at home need to report the payments as payroll?**

A: No. Employers are not required to report to BWC the wages paid to employees who are idle at home because of the COVID-19 pandemic. We encourage employers to keep track of such payments, however, for purposes that might surface during potential audits.

## **2020 Policy Year Notice of Estimated Annual Premiums Mailed to Ohio Employers**

Right now, the BWC is mailing out the Annual Notices of Estimated Premiums for the upcoming 2020 policy year that starts on July 1, 2020 and ends on June 30, 2021. ***Important item to note: The Ohio BWC will utilize the 2018 policy year payroll/exposure and reduce this amount by 20% due to assumed COVID-19 business challenges for the 2020 policy year estimate.*** This could impact what employers could owe when completing the Annual True Up (due 8/15/2021).

Therefore, when you receive this Notice, we highly suggest that you review it in detail and confirm if the estimated payroll numbers that the BWC is projecting match what you are projecting for your company. If you are expecting your payroll to change significantly for the 2020 Policy Year (either up or down) we suggest you contact the Ohio BWC to adjust those numbers accordingly. This will ensure a more manageable True Up in the summer of 2021.

If you would like to change your Premium Installment Plan (Monthly, Bi-Monthly, Quarterly, Semi-Annual, Annual) for the upcoming 7/1/20-6/30/21 Policy Year, you can do so by May 15, 2020 by going online to [www.bwc.ohio.gov](http://www.bwc.ohio.gov) or by calling the Ohio BWC at 1.800.644.6292.

## **May 29th: Deadline for Private Employers to Enroll into TWB, DFSP and ISSP**

The deadline for private employers to enroll into the BWC's Transitional Work Bonus Program, the Drug Free Safety Program, or the Industry Specific Safety Program for the upcoming July 1, 2020 policy year is May 29, 2020. For more information, please go to the BWC's [website](#).

## **Free COVID-19 Workers Compensation & Unemployment Update:**

Lastly, below is a link to a short 25-minute YouTube presentation by **Careworks Comp Program Managers, Meridith Whitsel and Cordell Walton**, covering Ohio workers' compensation and unemployment compensation changes and issues related to or impacted by COVID-19: <https://www.youtube.com/watch?v=TTm0HC9HihE&feature=youtu.be>