

BWC Basics



Ohio

Bureau of Workers'
Compensation

The past few years have brought major changes to BWC. The accomplishments and milestones of the recent past have provided a strong foundation. Now, we are moving forward to comprehensively improve services for our customers and make fundamental changes to workers' compensation in Ohio. By providing effective, customer-focused services we will:

- Enhance the quality of life of Ohio's work force;
- Promote economic success for Ohio's employers, and;
- Strengthen the state's economic vitality.

Restoring Operational Excellence, available at ohiobwc.com/reform provides a detailed look at how we are fundamentally reforming Ohio's workers' compensation system to improve service for all of our customers.

Our Mission

To protect injured workers and employers from loss as a result of workplace accidents, and to enhance the general health and well-being of Ohioans and the Ohio economy

BWC provides work force insurance coverage for about 275,000 of the state's public and private employers.

When a workplace accident occurs, we respond to the needs of the injured work and employer to ensure a safe and timely return to work for the injured employee. We pay benefits on behalf of Ohio's employers in exchange for biannual premium payments, which should help protect them from the financial shock of any sudden, costly workplace accident.

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This guide provides introductory information and a high-level look at Ohio's workers' compensation system, as well as some of BWC's programs and services. For the latest updates, visit BWC's Web site, ohiobwc.com. While you're there, create an e-account to access personalized information and services 24 hours a day, seven days a week.

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Workers' comp coverage



Getting started

Ohio law requires all employers with one or more employees to carry workers' compensation coverage. Independent contractors and sub-contractors also must obtain coverage for their employees.

Your workers' compensation coverage begins when BWC receives your application for coverage and \$10 security deposit*. Additionally, if you had employees prior to obtaining coverage, BWC can collect premiums for these prior-to-coverage periods.

By law, you must post your Certificate of Premium Payment in a highly visible location. BWC will mail a new certificate every six months upon receipt of premium payments. BWC also provides a copy of written notice that you must post to assert rebuttable presumption in seeking disallowance of a claim.

This notice alerts workers they may be ineligible for benefits if they suffer a workplace injury while intoxicated or under the influence of a controlled substance.

**BWC may bill an employer an additional security deposit depending on the amount of payroll estimated on the application for coverage and the manual classification(s) the bureau assigns. The maximum security deposit is \$1,000. The security deposit is refundable upon termination of business if all outstanding balances have been paid, unless one employer (successor) wholly succeeds another (predecessor) in the operation of a business. Under the succession, the bureau will transfer the predecessor's rights and obligations under workers' compensation law. The successor will be credited with any credits of the predecessor, including the advance premium security deposit of the predecessor.*

Exemption for religious sects

For more information on religious exemptions, visit ohiobwc.com and choose:

- Apply for coverage under Ohio Employers;
- Then the link to information on elective coverage.

Applying for elective coverage

Employers can complete an *Application for Elective Coverage* (U-3S) online at ohiobwc.com or obtain this form by calling 1-800-OHIOBWC and listening to the options.

For more information, please visit, ohiobwc.com and choose:

- Apply for coverage under Ohio Employers;
- Then the link to information on adding elective coverage.

Who should be covered?

If you control the working hours, selection of materials, traveling routes and a worker's performance reviews, an employer-employee relationship exists, and you must provide coverage for the worker. Also, you should verify that anyone hired as a subcontractor has his or her own workers' compensation coverage.

Corporate officers* are considered employees of the corporation and as such they are covered under the workers' compensation policy as any other employee. Corporate officers include the president, vice president, secretary, treasurer and any other executive officers, which are specified in, and empowered by, the charter or empowered by regularly adopted bylaws of the corporation. Anyone who is elected or appointed, empowered by the directors and performs duties for the corporation also must be covered.

You must provide workers' compensation coverage to domestic household employees (e.g., cooks, gardeners, housekeepers, babysitters, etc.) who earn \$160 or more during a calendar quarter. However, individuals performing volunteer services for a private employer — including non-profit organizations, such as churches — are not covered under the organization's workers' compensation policy.

Ohio employees working out of state are covered by Ohio workers' compensation coverage, and you should report those employees' payroll on your payroll report. If you hire out-of-state employees to perform part of their work in states other than Ohio, you should submit the appropriate forms: *Agreement to Select the State of Ohio as the Exclusive Remedy* (C-110) or *Agreement to Select a State Other than Ohio as the Exclusive Remedy* (C-112).

BWC does not extend coverage to out-of-state employees who have no duties in Ohio.

Elective coverage options

BWC does not require all employers to carry workers' compensation insurance. However, they may opt for elective coverage through BWC (see Applying for elective coverage to the left). The types of employers who qualify for elective coverage include:

- Sole proprietors;
- Partnership;
- Family farm corporate officers;
- Individual incorporated as a corporation (with no employees);
- Limited liability company (LLC) acting as sole proprietor;
- LLC acting as a partnership;
- Ordained or associate ministers of religious organizations in the exercise of their ministries.

*Except individuals incorporated as a corporation (with no employees)

Reporting payroll & paying premiums



Basic guidelines

Private employers pay a premium based on the July 1 to June 30 rating year. BWC issues a payroll report to these employers each December and June for reporting payroll and calculating premium due.

To ensure coverage does not lapse, BWC must receive premium payment for the December payroll report by the last day of February and premium payment for the June payroll report by Aug. 31. You must complete a payroll report and pay the \$50 minimum administrative cost even if you have zero payroll.

BWC must receive payroll reports and payments by the due date. If they are not, coverage lapses on March 1 or Sept. 1. If an employee is injured during a lapse in coverage, BWC may charge you appropriate penalties, and you are responsible for any claims costs and unpaid premiums.

Paying premiums online

You can guarantee BWC receives your payroll reports and premium payments on time by submitting them online at ohiobwc.com. Establish an online account by clicking Create E-account on the ohiobwc.com home page; then log on and click Ohio Employers, Quick Pay link.

You may also pay premiums using FlexPay, an online service that allows you to set up your own premium payment schedule, and receive discounts based on pre-payment of premium. Go to ohiobwc.com, and click on Ohio Employers; FlexPay program.

Transferring claims experience to Ohio from another state

Under certain circumstances, BWC will transfer an employer's experience modification from previous operations in another state to its new Ohio workers' compensation policy.

However, BWC will only consider a request if the employer has not had prior operations or workers' compensation coverage in Ohio.

For more information on transferring out-of-state experience from a previous state to an Ohio policy, contact BWC's actuarial department-rate adjustment unit via e-mail at emprateadj@bwc.state.oh.us or by calling 1-800-OHIOBWC.

How BWC establishes premium rates

BWC assigns your business manual classifications based on the types of work performed. BWC bases initial assignments of classifications on the information supplied on your application for coverage. Having the correct classification(s) is important because BWC bases your premiums on these classifications. Contact BWC immediately if you think they are inaccurate or if you have changed your operations.

With an e-account you can look up your manual classification(s) on ohiobwc.com by clicking:

- Ohio Employers;
- Employer services;
- Rating information;
- Rating plan information;
- Enter your policy number then click Active Manuals.

BWC will base rate new employers' accounts unless they purchase an existing business with existing claims experience. If certain criteria are met, BWC will transfer the previous employer's loss experience to the new employer's experience. With experience rating, BWC applies either a penalty or credit factor to an employer's premium, based on the loss experience. Every July 1, BWC announces the annual base rate for each manual classification, which is effective until the following June 30.

Minimum and maximum payroll reporting requirements

The following individuals are subject to a minimum and maximum payroll reporting requirement:

- Active executive officers of a corporation;
- Employers listed below who choose elective coverage (because they are not required to carry workers' compensation insurance).
 - Sole proprietors
 - Partnership
 - Family farm corporate officers
 - Limited liability company acting as a partnership
 - Limited liability company acting as a sole proprietor
 - Individual incorporated as a corporation (with no employees)

Note: Ministers covered under a religious organization's policy are not subject to the minimum and maximum reporting requirement, and should report their actual earnings.

Individuals in any of the categories above must report a minimum and maximum payroll based on the state average weekly wage (SAWW). The Ohio Department of Job and Family Services (ODJFS) determines the SAWW effective Jan. 1 of each year. Effective July 1, 2006, these individuals must report minimum wages equal to 50 percent of the SAWW up to a maximum of 150 percent of the SAWW. For additional informa-

tion on minimum and maximum payroll reporting requirements, visit ohiobwc.com and choose:

- Ohio Employers;
- Payroll reporting information under the Financial Info heading.

Construction industry payroll limitation

Construction industry employees' reportable payroll is subject to a weekly maximum. BWC revises the construction industry payroll cap amount Jan. 1 of each year. The limitation only applies to employee payroll reportable in construction industry classifications. To view the latest construction industry payroll cap information, visit ohiobwc.com and choose:

- Ohio Employers;
- Payroll reporting information under the Financial Info heading.

Payroll: what is reportable?

BWC considers the items below payroll. You must include them as part of the payroll reported to BWC.

Gross hourly wages and gross salaries
Sick pay (including third party, excluding workers' compensation)
Vacation and holiday pay
Bonus payments, including stock given as a bonus
Sales commissions
All tips
Severance pay
Overtime pay
Shift or holiday differential pay
Profit sharing going directly to employees as payroll
Voluntary employee contributions to retirement plans, including 401(k)
Portions of cafeteria plans as reportable to the Federal Unemployment Tax Authority, such as cash options and unqualified benefits
Reasonable value of board, lodging, house or room rent unless provided for the convenience of the employer
Per diem and travel allowance (if not paid as reimbursement expense)
Contributions to deferred compensation by employees (except for governmental employees)
Expenses exceeding one-third of an employee's normal pay

This list is not all inclusive. Please contact BWC regarding questions about items not listed.

BWC randomly audits employers. It is important employers maintain accurate records for each manual classification. Intentionally misreporting premiums could cost an employer up to 10 times the audit findings

In defining payroll, BWC generally follows the guidelines of ODJFS and the Federal Unemployment Tax Authority.

Reporting claims



What to do when a workplace injury occurs

Representatives in BWC's risk, safety and claims departments will partner with you to develop a workplace safety-management process. However, if an injury does occur, you should follow the steps on the next page and work closely with your managed care organization (MCO) to report claims.

Under the Health Partnership Program (HPP), BWC's health-care system, injured workers must visit BWC-certified health-care providers for treatment, except in an emergency or initial visit. The injured worker may continue treatment with a non-BWC-certified provider, but payment for the treatment will be the injured worker's responsibility. The health-care provider is required to report a workers' compensation injury to the employer's MCO within 24 hours of treatment. Employers should contact their MCOs for more information on what to do when an injury occurs. You can ensure the claim was filed and check its status online by logging onto ohiobwc.com and clicking on Ohio Employers, then Claim info.

All new employers must select an MCO within 30 days to medically manage employees' workers' compensation claims. If an employer does not choose an MCO, BWC may assign one.

All employers who are new to the Ohio workers' compensation system receive an *MCO Selection Guide* to assist with choosing an MCO. This guide and an accompanying *MCO Report Card* are also available by visiting ohiobwc.com and choosing:

- Apply for coverage under Ohio Employers;
- Then the link to the New Employer Kit.

When BWC allows a work-related injury with seven or fewer calendar days of time lost from work, a medical-only claim, it will pay related medical expenses. If the employee cannot return to work for eight or more calendar days, a lost-time claim, he or she may be entitled to compensation for lost wages and medical benefits.

BWC offers a variety of compensation to injured workers. However, the four most common types are temporary total, permanent total disability, wage loss and percentage of permanent partial disability.

Basic types of compensation

Temporary total – This is typically the first form of compensation an employee receives during recovery from a work-related injury where he or she has lost eight or more calendar days of work. An employee cannot work while receiving temporary total benefits.

Temporary total begins on the eighth day following an accident. BWC issues benefits on a biweekly basis. If an employee is off work for 14 consecutive days, BWC will pay him or her for the first seven days. These benefits cease once an employee returns to work.

What to do when a workplace injury occurs

1 Have procedures in place and personnel trained for emergency responses and accident analysis. Have the injured worker seek medical attention. If possible, ask him or her to tell the treating physician it is a workers' compensation claim.

2 Inform employees what to do if injuries occur and where to report claims. Distribute MCO identification cards to every employee prior to an injury. Report the claim using ohiobwc.com and automatically receive a claim number, or report the claim to the MCO using the *First Report of an Injury, Occupational Disease or Death* (FROI).

3 Help employees report claims as soon as possible after the accident.

Claim disputes and appeals

When employers and injured workers disagree on a BWC claims decision, either party may file an appeal with IC, the adjudicative branch of the workers' compensation system. You can learn more about the appeals process and other information about the IC online at www.ohioic.com.

Permanent total disability – If an injured worker cannot return to work, and the IC declares him or her permanently and totally disabled due to the work-related injury, the employee will receive permanent total disability. In most cases, an employee cannot return to work and receive permanent total disability payments.

Wage loss compensation – An injured worker may be entitled to wage loss compensation under two circumstances: (1) if he or she has found work other than his or her former position and now receives less pay than he or she did at the time of the injury; (2) if he or she cannot find work within allowed medical restrictions. Wage loss is only available for injuries occurring after Aug. 22, 1986.

Percentage of permanent partial disability – BWC makes these benefits, also known as C-92 benefits, as compensation for residual impairment that may result from a work-related injury. BWC determines the percentage of permanent partial impairment based on the recommendation of an independent medical examiner.

For information on other types of compensation, visit ohiobwc.com, or contact your local BWC employer services specialist.

Controlling costs



Alternative rating programs

You can help control costs by keeping workplaces safe, getting injured workers back to work as safely and quickly as possible, participating in BWC's alternative rating programs and reporting suspected fraud.

Members of BWC's customer service teams will work with you to develop a personalized plan that addresses your needs and implements some of the following cost-control strategies.

Group rating – Group rating allows employers who are substantially similar in industry to group together to potentially achieve lower premium rates than they could otherwise achieve as individual employers. Trade organizations or service companies to which employers belong sponsor this program. For more information on group rating, log on to ohiobwc.com, and click on Ohio Employers, then Programs, or call 1-800-OHIOBWC, and listen to the options.

Retrospective/Self-insurance – BWC makes these two programs available only to large, financially secure employers who can fund some or all of the claims costs. For more information on these rating programs, log on to ohiobwc.com, or call 1-800-OHIOBWC, and listen to the options.

Getting injured workers back to work

Return-to-work programs can reduce your workers' compensation costs while lessening the financial, emotional and physical burden for the injured worker. BWC will work with you and your injured workers to create a plan designed to help the injured worker return to work as safely and quickly as possible.

Remain at work – Managed by your MCO, remain-at-work services provide injured workers with rehabilitation services to reduce or eliminate the number of days an employee is off work.

Expanded vocational rehabilitation – MCOs manage each lost-time claim with the goal of an optimal return-to-work date. If an injured worker has not returned to the job 30 days after that optimum date, BWC and the MCO can provide the injured worker with specialized, in-depth services to prepare and integrate him or her back into the work force.

For more information on return-to-work programs, contact the customer service office closest to you.

BWC's discount programs

BWC offers a host of programs that provide premium discounts for employers in exchange for participating in programs that improve workplace safety and reduce injuries. For more information, log on to ohiobwc.com and visit the Programs section under Ohio Employers.

Workplace safety services

Workplace safety is a priority at BWC. That's why BWC's Division of Safety & Hygiene (DSH) provides a broad spectrum of services, including research, education, publications, local information networks and consulting to help you prevent injuries. Your workers' compensation premium includes the cost of our services.

Technical support – The DSH contact center is your one-stop shop for accessing DSH services. Here you can obtain technical assistance, enroll in a training center course, register for the Ohio Safety Congress & Expo and obtain general information.

You also can obtain the most up-to-date information on occupational safety and health, rehabilitation and workers' compensation by contacting the DSH libraries. The video library, a lending library of occupational safety and health videos, has a collection of more than 500 titles. You can also obtain educational guides covering many safety issues. Visit ohiobwc.com, and click on BWC Library for ordering information.

Educational opportunities – DSH’s training center provides you with the knowledge, tools and skills you need to prevent occupational injuries and illnesses. You can receive training on nearly 50 safety and health topics. Courses are offered on an open enrollment basis, and tuition is free to BWC customers. Visit bwclearningcenter.com to find a complete listing of courses or to enroll.

To access DSH services, call 1-800-OHIOBWC, and listen to the options; send a fax to 614-365-4974; visit ohiobwc.com; or send an e-mail to safety@bwc.state.oh.us.

Fraud: A hidden cost

Fraud is a hidden cost of workers’ compensation insurance that impacts both employers and injured workers. Industry estimates show that between \$80 million and \$160 million could be lost to workers’ compensation fraud each year in Ohio.

Examples of fraud include injured workers going back to work while collecting benefits; doctors billing for services not rendered; and employers underreporting payroll to lower their costs.

To ensure only legitimate claims are paid, BWC is aggressively attacking fraud through its special investigations department. To report workers’ compensation fraud, call 1-800-OHIOBWC, or log on to ohiobwc.com. Tipsters may remain anonymous.

Additional resources



Your online connection: ohiobwc.com

BWC's Web site is the best source for the most up-to-date information on Ohio's workers' compensation system. On ohiobwc.com, you can:

- File a claim and immediately receive a claim number;
- Apply for or cancel coverage;
- Report payroll and pay premiums;
- Update your business information;
- View claims reported under your policy;
- View accounts receivable history;
- Learn more about BWC's cost-saving programs;
- Obtain information about Safety & Hygiene services;
- And much more.

Need more information? No problem! There are many other free sources of workers' compensation information available.

BWC publications and events

You can download publications or order them online at ohiobwc.com. To order them via phone, call 1-800-OHIOBWC, and listen to the options.

Workers' Compensation University – Ohio's largest workers' compensation conference visits various locations throughout the state each year to help employers achieve a greater understanding of Ohio's workers' compensation system.

Ohio Safety Congress & Expo – Sponsored by BWC's DSH, this annual event provides a forum for the cutting edge in workplace safety practices, technology, products and services.

Additional assistance

More detailed information is available in BWC's *Workers' Compensation Guide for State-Fund Employers and Their Employees*. Visit ohiobwc.com and choose:

- BWC publications under the BWC Library heading;
- Ohio employer publications;
- *Workers' Compensation Guide for State-Fund Employers and Their Employees*.

Local customer service offices can provide information for all your policy and claims questions. To find the customer service office in your area, log on to ohiobwc.com and click on:

- Contact us;
- Automatic office locator.

- or -

Visit ohiobwc.com, and chat one-on-one with a BWC representative between 7:30 a.m. and 5:30 p.m., EST, Monday through Friday.

- or -

Call 1-800-OHIOBWC, and listen to the options to reach key information areas and customer service representatives ready to respond to inquiries. Automated information is available from 7 a.m. to 7 p.m.

Looking for the latest information?
Visit our Web site, ohiobwc.com,
or call **1-800-OHIOBWC**.

Para asistencia en Español, llame a
1-800-644-6292 opción **9**.