

EMPLOYMENT SERVICES ALERT

3/21/13

Ohio Bureau of Workers' Compensation Ordered to Refund \$859 Million to Ohio Employers

Cuyahoga County Judge Richard McMonagle ruled on March 20, 2013, that the Ohio Bureau of Workers' Compensation (BWC) must refund \$859 million to approximately 264,000 employers. Judge McMonagle ruled that these employers were overcharged for workers' compensation premiums from July 2001 to June 2009. During this time, employers that were in group premium rating programs were given discounts as high as 90 percent. Judge McMonagle ruled that the process of setting premiums by the BWC during this time period was unfair and unbalanced. The BWC gave discounted premiums to companies that joined group premium plans while charging companies not in these groups excessive premium rates to pay for these discounts. Also, companies that were in group rating plans that had claims resulting from employee injuries were kicked out of their group plans and were then charged higher premium rates while group members continued to pay lower rates. In July 2009, Judge McMonagle ordered the BWC to change its system for setting premiums and pursuant to this order the maximum discount for employer group rating programs was set at 53 percent.

Unless an employer opted out of the lawsuit, they will be entitled to receive reimbursement if they qualify.

The BWC has announced that it will be appealing the order of Judge McMonagle. As such, reimbursements and/or refunds likely will not occur immediately.

Should you have any questions about the ramifications of the decision and how it might affect you as an Ohio employer, please contact any of the following Roetzel attorneys:

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