

EMPLOYMENT SERVICES ALERT

7/1/13

UPDATE — \$1 Billion Workers' Compensation Rebate to Public and Private Employers

Ohio Governor John Kasich's proposed a one-time dividend of \$1 billion for private and public employers who are state-funded for purposes of workers' compensation coverage in Ohio has been approved by the Bureau of Workers' Compensation (BWC) Board of Directors.

Qualifying Ohio employers (both private and public) would receive approximately 56% of the annual premium, calculated in the July 1, 2011 to June 30, 2012 rating year for private employers and from January 1, 2011 through December 31, 2011 for public employers. As such, if an employer's premium for that time period was \$100,000 the employer would be entitled to receive a dividend of \$56,000. Dividend checks have begun to be mailed and the mailings should be completed by August. In order to be eligible for the proposed dividend, employers who qualify must have active and current policies. If an employer has an unpaid, outstanding balance owed the BWC, any dividend would be reduced by the amount of the balance owed.

This dividend is not related to, or impacted by, the pending lawsuit regarding the allegations surrounding the BWC's prior Group Rating programs that impacted close to 270,000 Ohio employers who were charged higher premiums. A Cuyahoga County Court of Common Pleas judge awarded plaintiffs over \$850 million in refunds as a result of the Bureau's "flawed" group rating programs in effect from 2001 through 2008. That decision and award has been appealed by the Bureau.

Bottom-line, this is good news for Ohio employers and does not negatively impact Ohio workers. There is no offset or reduction in compensation rates for those injured on the job. The goal is to allow employers to pump the dividends back into their operations, hire more people and continue to grow Ohio's economy.

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

Doug Spiker

216.696.7125 | dspiker@ralaw.com

Doug Kennedy

614.723.2004 | dkennedy@ralaw.com

Eric Bruestle

513.361.8292 | ebruestle@ralaw.com

Bob Blackham

216.615.4839 | rblackham@ralaw.com

Tim Webster

216.696.7795 | twebster@ralaw.com

Chris Debski

330.849.6717 | cdebski@ralaw.com

Alex Kipp

216.820.4204 | akipp@ralaw.com

Nathan Pangrace

216.615.4825 | npangrace@ralaw.com

Brian Tarian

614.723.2028 | btarian@ralaw.com