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# Another \$1.5 billion for Ohio employers

*BWC delivers second dividend this year to ease COVID-19 impact*

## Frequently Asked Questions for Employers

### **Why is BWC giving a dividend?**

We are issuing a dividend of up to \$1.5 billion to ease the financial pressures your organization may be experiencing amid the coronavirus (COVID-19) pandemic. This is our second dividend of this magnitude this year, following Gov. DeWine's order that his agencies do everything they can to mitigate COVID-19's impact on Ohioans. Even after the dividend, the net position of the State Insurance Fund for injured workers remains strong due to investment returns, declining injuries and decreasing reserves.

### **How much will an employer receive?**

BWC defines the private employer dividend as 100% of billed premium for eligible employers for the policy period of July 1, 2019, through June 30, 2020. BWC will apply the percentage to the blended premium amount. BWC defines the public employer dividend as 100% of billed premium for eligible employers for the policy period of Jan. 1, 2019, through Dec. 31, 2019. BWC will apply the percentage to the blended premium amount.

### **When will I receive my dividend?**

BWC will mail dividend checks to eligible employers in late October and early November.

### **I have an outstanding balance on my account. How will this impact my dividend?**

An employer who has an outstanding balance — including but not limited to deferred installments, balances in an appeal status and balances owed resulting from a transfer of experience or liability from a predecessor entity — will have its dividend payment reduced by the amount of the outstanding balance. If an employer's outstanding balance exceeds the dividend amount, BWC will offset the employer's account by the amount of the dividend.

An employer whose dividend is applied to an outstanding balance will receive detail regarding how the dividend was applied on their next scheduled invoice. Employers will be able to see their updated account information at any time on [bwc.ohio.gov](http://bwc.ohio.gov).

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## **Is BWC issuing a check like they have done in the past or providing a credit on employers' policies?**

We will issue paper checks as we have done in the past.

## **Where will my check be sent?**

We will send dividend checks to the current address we have on file. Please review your information on [bwc.ohio.gov](http://bwc.ohio.gov) to ensure we have the most current operating name of your business, tax identification number, physical location, mailing address, telephone number, e-mail and/or web site.

## **Can I receive my dividend electronically?**

No. We are sending paper checks by mail only. In the event you lose your check and fail to cash one we re-issue, we will credit your BWC account.

## **Who is eligible for the dividend?**

BWC defines eligibility as follows.

1. State Insurance Fund employers (private employers or public employer taxing districts only).
2. The employer must have reported payroll greater than zero for the applicable policy period.
3. The employer must have been billed premium for the applicable policy period.
4. Employers must have completed their payroll true-up for policy year 2019 as of Oct. 2, 2020.
5. The employer must be in an active, reinstated, combined, cancelled – business sold, or debtor-in-possession status or, in a lapsed status with a lapse date of Jan. 1, 2020 or later as of Oct. 2, 2020.

Employers who do not meet all the criteria listed above will not be eligible to receive a dividend.

## **When will BWC determine eligibility?**

Eligibility was based on an employer's status (active, lapsed) with us as of Oct. 2. BWC will not make changes to eligibility after this date.

## **How will this impact BWC's finances and the State Insurance Fund?**

BWC and the State Insurance Fund will remain in a strong financial position after payment of this dividend.

## **I am in an individual-retrospective-rating program. How will BWC calculate my dividend?**

BWC defines premium for private, individual-retrospective-rated employers as minimum premium, plus the impact of retrospective claim-loss premium billed for policy year July 1, 2019, through June 30, 2020, as of Oct. 2, 2020.

BWC defines premium for public, individual-retrospective-rated employers as minimum premium, plus the impact of retrospective claim-loss premium billed for policy year Jan. 1, 2019, through Dec. 31, 2019, as of Oct. 2, 2020.

**I paid retrospective claim-loss premium for other policy periods during the eligible policy period. Will BWC consider these payments in my dividend calculation?**

No. Payments received from private employers from July 1, 2019, through June 30, 2020, that are not applicable to that policy year will not be considered in the dividend calculation. Payments received from public taxing districts from Jan. 1, 2019, through Dec. 31, 2019, that are not applicable to that policy year will not be considered in the dividend calculation.

**I am in a group-retrospective-rating program. How will BWC calculate my dividend?**

BWC defines premium for private and public group-retrospective-rated employers as individual, experience-rated premium.

**I am in a Deductible Program. How will BWC calculate my dividend?**

BWC defines premium for private employers participating in a Deductible Program as discounted, blended premium.

**I received a discount on my premium for Go-green, Lapse-free or Safety Council. Will this reduce my dividend?**

Yes. BWC will reduce the dividend amount by premium-based discounts already earned, including, but not limited to Go-green, Lapse-free, and Safety Council.

**I reported zero payroll but paid the minimum administrative charge. Will I receive a dividend?**

No. Employers reporting zero payroll are not eligible.

**I had a no-coverage penalty during the period upon which the dividend is being calculated, but formally took out coverage after the conclusion of the applicable period. Will I receive a dividend?**

No. BWC will not include no-coverage penalties in the premium base it uses to calculate the dividend.

**I canceled my coverage but paid premium during July 1, 2019, to June 30, 2020. Will I be eligible for a dividend?**

No. A private or public employer that cancels coverage prior to Oct. 2, 2020, is not eligible for the dividend. BWC will not make account adjustments to give these employers the dividend.

**I purchased a company that was billed premium for the July 1, 2019, through June 30, 2020, policy year. How will this impact my dividend?**

BWC will determine eligibility based on the status of the predecessor policy. If the predecessor policy would have been eligible for the dividend, the successor will receive the applicable dividend. If the predecessor policy was canceled, the successor will not be eligible for the dividend. If the predecessor policy was in a lapsed status prior to the combination, the successor will not be eligible for a dividend. If there is existing debt on the predecessor policy, BWC will reduce the successor dividend by the amount of the outstanding balance.

### **I just went self-insured. Will I receive a dividend?**

Private employers that paid premium for the policy reporting period of July 1, 2019, through June 30, 2020, but were granted the privilege of self-insurance before Oct. 2, 2020, are eligible for the dividend based upon the billed premiums during the July 1, 2019, through June 30, 2020, policy period.

Public employer taxing districts that paid premium for the policy reporting period of Jan. 1, 2019, through Dec. 31, 2019, but were granted the privilege of self-insurance before Oct. 2, 2020, are eligible for the dividend based upon the billed premiums during the Jan. 1, 2019, through Dec. 31, 2019, policy period.

### **I used a Professional Employer Organization (PEO) during the July 1, 2019, through June 30, 2020, policy period. Will I receive a dividend?**

PEOs that receive a dividend must provide notice of the dividend to their client employers of record for the July 1, 2019, through June 30, 2020, policy period. BWC will also notify PEO client employers that it sent a dividend to their PEO. The amount PEOs pay to their client employers must be equal to 100% of the blended premium paid by the PEO to BWC on behalf of the client employer for the July 1, 2019, to June 30, 2020, policy period less the permissible administrative fee discussed herein.

The PEO shall calculate the client employers' share of the dividend based on the full amount of the dividend BWC issued it. The PEO shall not reduce the employers' share of the dividend by any credit applied to the PEO policy as a result of non-pending, outstanding balances. The PEO may retain up to 6% of the client employers' dividend as an administrative fee. PEOs must issue dividends to clients within 30 days of BWC's issuance of the dividends.

The PEO may not withhold or offset payment of the dividend based on any contractual obligation and must issue the dividend regardless of whether the client employer continues as a client employer of the PEO.

### **I now use a Professional Employer Organization. Will I receive a dividend?**

Private employers that paid premium for the policy period of July 1, 2019, through June 30, 2020, but entered into a PEO relationship before Oct. 2, 2020, will be eligible for the dividend based upon the billed premiums during the July 1, 2019, through June 30, 2020, policy period. BWC will send these dividends directly to the employer, not to the current PEO.

### **I made payments from July 1, 2019, through June 30, 2020, for other coverage periods. Will BWC consider these payments in the dividend calculation?**

No. BWC will not consider payments it received from private employers from July 1, 2019, through June 30, 2020, that are not applicable to that policy year in the dividend calculation. Payments received by BWC from public employer taxing districts from Jan. 1, 2019, through Dec. 31, 2019, that are not applicable to that policy year will not be considered in the dividend calculation.

### **I am on a payment plan. How will this impact my dividend?**

BWC will reduce the dividend payment to an employer that has a non-pending, outstanding balance including, but not limited to, balances in an appeal status and balances owed resulting from a transfer of experience or liability from a predecessor entity, by the amount of the outstanding balance. If an employer's non-pending, outstanding balance exceeds the dividend amount, BWC will offset the employer's account by the amount of the dividend.

An employer whose dividend is applied to an outstanding balance will receive detail regarding how the dividend was applied on their next scheduled invoice. Employers will be able to see their updated account information at any time on [bwc.ohio.gov](http://bwc.ohio.gov).

### **Will BWC adjust the dividend if it audits me in the future or if it adjusts my rate?**

The dividend is a one-time payment. BWC will not adjust the dividend amount for any reason, including, but not limited to, audits, rate adjustments, appealed balances, changes in lapse status retrospective claim billings, etc. after Oct. 2, 2020.



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