

# EFFECTIVE 7/1/15

## **4123-17-17      Auditing and adjustment of payroll reports.**

- (A) Every employer amenable to the workers' compensation law shall keep, preserve and maintain complete records showing in detail all expenditures for payroll reportable to Ohio and the division of such expenditures in the various divisions and classifications of the employer's business. If an employer elects under section 4123.292 of the Revised Code to obtain other-states' coverage, the employer shall also keep records of all payroll reported to the other-states' insurer for work performed outside of Ohio. Both types of payroll records shall be preserved for at least five years after the respective time of the transaction upon which such records are based.
- (B) All books, records, papers, and documents reflecting upon the amount and the classifications of the payroll expenditures of an employer shall be kept available for inspection at any time by the bureau of workers' compensation or any of its assistants, agents, representatives or employees. If any employer fails to keep, preserve and maintain such records and other information reflecting upon payroll expenditures, or fails to make such records and information available for inspection, or fails to furnish the bureau or any of its assistants, agents, representatives or employees, full and complete information in reference to expenditures for payroll when such information is requested, the bureau may determine upon such information as is available to it the amount of premium due from the employer and its findings shall constitute prima facie evidence of the amount of premium due from the employer.
- (C) The bureau shall have the right at all times to inspect, examine or audit any or all books, records, papers, documents and payroll of an employer for the purpose of verifying the correctness of reports made by employers as required by law
- (1) The bureau shall also have the right to make adjustments as to classifications, allocation of wage expenditures to classifications, amount of wage expenditures, premium rates or amount of premium. No adjustments, however, shall be made in an employer's account which result in reducing any amount of premium below the amount of contributions made by the employer to the fund for the periods involved, except in reference to adjustments for the semi-annual or adjustment periods ending within twenty-four months immediately prior to the beginning of the current payroll reporting period. Except as provided in rule 4123-17-28 of the Administrative Code, no adjustments shall be made in an employer's account which result in increasing any amount of premium above the amount of contributions made by the employer to the fund for the periods involved, except in reference to adjustments for the semi-annual or adjustment periods ending within twenty-four months immediately prior to the beginning of the current payroll reporting period. The twenty-four month period shall be determined by the date when such errors affecting the reports and the premium are brought to the attention of the bureau by an employer through written application for adjustment or from the date that the bureau provides written notice to the employer of the bureau's intent to inspect, examine, or audit the employer's records.
  - (2) Except as provided in rules 4123-17-14 and 4123-17-28 of the Administrative Code, adjustments in an employer's account which result in changes to the amount of premium due from an employer for a policy year shall be limited to the annual or adjustment periods ending within twenty-four months immediately prior to:
    - (a) The date when such error affecting the reports and the premium are brought to the attention of the bureau by an employer through written application for adjustment, or

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(b) The date that the bureau provides written notice to the employer of the bureau's intent to inspect, examine, or audit the employer's records.

(D) Where the bureau has assigned two or more classifications for an employer's operations, the employer shall keep an appropriate record showing a correct and verifiable segregation of all payroll into such classifications. If it is found that the employer has failed to keep such record, the part of the payroll which cannot be reasonably determined by the bureau as belonging to any other classification shall be placed by the bureau under the assigned classification having the highest rate, and the employer will be assessed premium accordingly.

Effective: 7/1/15

Prior Effective Dates: 7/1/62, 12/14/76, 12/11/92, 1/1/02, 10/1/05, 7/1/06, 1/5/09