

BWC Updates and Overview of Prospective Billing for Public Employers

Recent Rebates to Employers

- In 2013 and 2014, BWC returned \$2 billion in rebates to Ohio employers.
- BWC to provide \$1.2 billion transition credit to Ohio employers to ease the transition to a prospective billing system.

Increased Commitment to Safety

- Last year, BWC awarded \$15 million in safety grants to 539 employers.
- \$15 million will also be available to employers this year and next.

Safety Grants

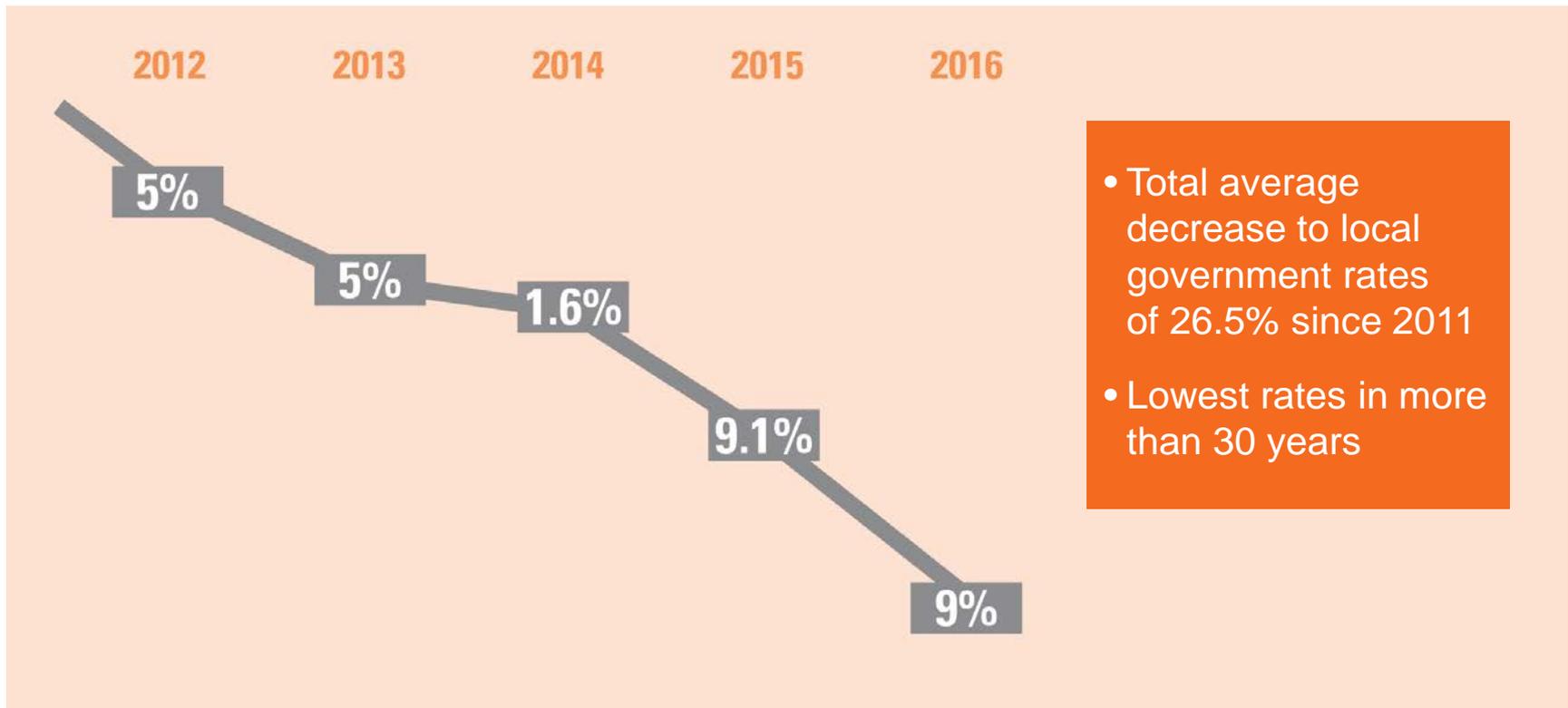
- Grants to assist employers in purchasing equipment that will substantially reduce or eliminate injuries
- 3-to-1 matching funds (up to \$40,000)
- Last year, BWC awarded \$15 million in grants to 535 employers
- Have you applied for your safety grant? If not ... what are you waiting for?

Increased Commitment to Safety

- Expansion of Safety Council Program to include health and wellness
- Advanced workplace safety and health research-to-practice program
- Partnership with State Fire Marshall to fund additional training for firefighters
- Development of safety curricula and funding for skilled labor training program.

Public Employer Rate Cuts

Public employer taxing district rate reductions (2012 – 2016)



Overview of Prospective Billing

Why Transition to Prospective Billing?

- Industry standard
- More flexible payment options
- Decrease in base rates by 4% for public employers
- Increased ability for us to detect non-compliance and fraud

Public Employer General Overview (Transition Year)

- Prospective billing begins for public employers effective Jan. 1, 2016
 - In 2016, payment time frames will remain the same as they are today.
- This year, BWC will send the 2016 Notice of Estimated Annual Premium in December.
 - In subsequent years, BWC will send it in late October.
- You will also receive your 2015 payroll report in December as normal.

Notice of Estimated Annual Premium

Sample: Notice of Estimated Annual Premium

Public Employer General Overview (Transition Year)

- By March 31, BWC will send the first prospective invoice.
 - BWC will apply a 50% transition credit to both the 2015 payroll report (upon reporting) and the 2016 invoice.
- Employers must report all of their payroll for the 2015 calendar year and will need to pay at least 50% of the premium due as well as their first prospective invoice by **May 16, 2016**.

Public Employers – Jan. 1, 2016 to Dec. 31, 2016

- BWC will send second invoice in August with a Sept. 1 due date (for the remaining 2015 and 2016 policy years).
 - The invoice will include the transition credit.
- The 2017 Notice of Estimated Annual Premium will be sent by Oct. 31, 2016.
- The first invoice will then be sent by Dec. 1.
 - First installment payment will be due by **Jan. 2.**

Installment Options – Starting 2017

- Annual (1);
 - Semi-annual (2);
 - Quarterly (4);
 - Bi-monthly (6);
 - Monthly (12)- default installment selection
- Minimum payers will not receive installment options.
 - Minimum premium increased to \$120 plus assessments due by Dec. 31 each year.

Deferred Payment Option

- Beginning in policy year 2017, public employers may choose to defer the first payment until April 30 of each year.
 - Employer must elect this option (online or over the phone) on or before Nov. 15 of each year for the upcoming policy year.
- This option requires the employer to pay the January-May premium by April 30 each year.
- BWC will charge a deferment fee based on the established discount rate.
 - This fee will make up for the interest BWC will not earn on the premium during this time period.

Payroll True-up Report

- Prospective billing requires an annual payroll true-up report.
- BWC will remind employers of this true-up requirement in January each year (beginning in 2017).
- The employer must report actual payroll for the previous year.
 - Online or over the phone only
 - If additional premium is calculated, it is due by Feb. 15.
 - If credit calculated, it will be released in normal process.

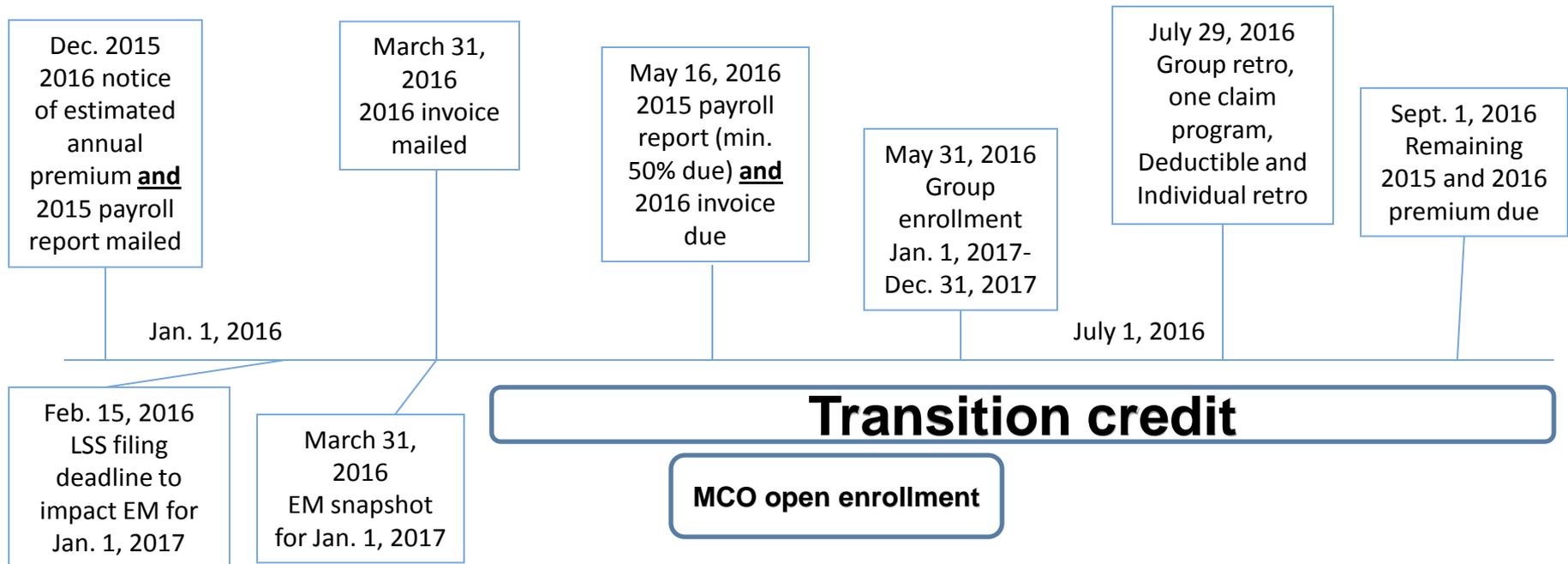
Payroll True-up Report

- Actual payroll is critical for rate setting. For that reason, any outstanding true-ups will result in:
 - Immediate disqualification from rating plans and programs for that current policy year;
 - Ineligibility to receive any rebates for the programs completed in the previous policy year;
 - Ineligibility for rating plan or programs in the upcoming program year.

Rating Plan and Program Enrollment Dates

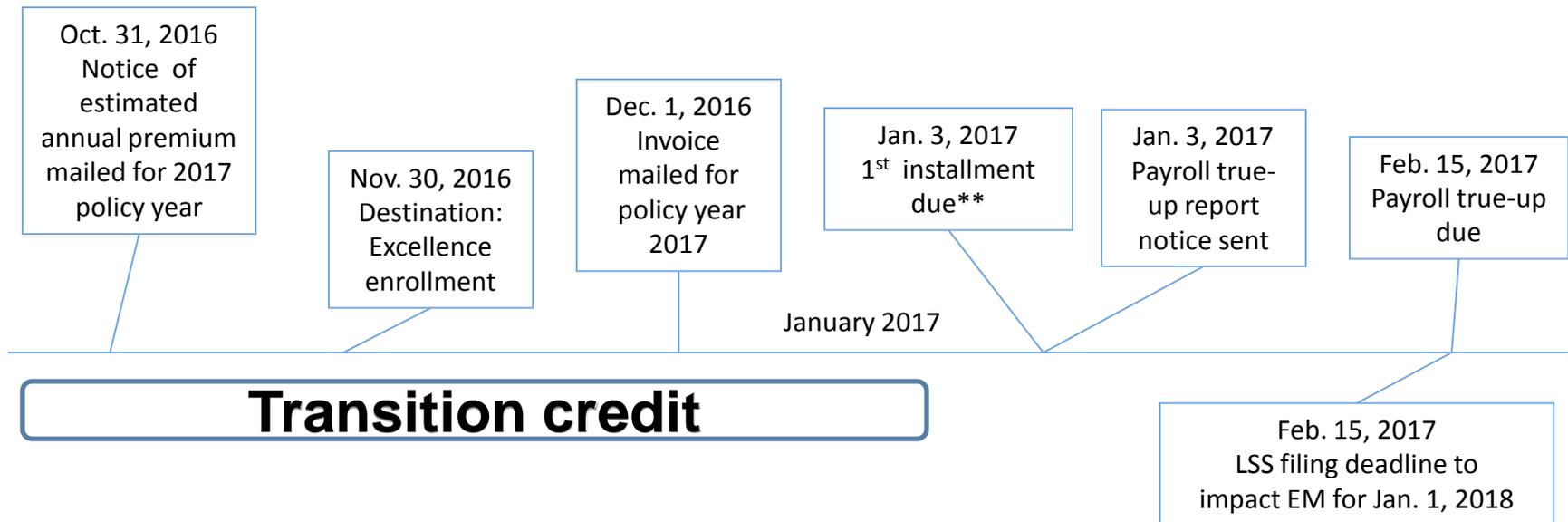
- Group-experience rating – Last business day in May
- Group retro, One Claim Program, Deductible, Individual retro – Last business day in July
- Destination: Excellence – Last business day in November

Public Employer Timeline



- Destination: Excellence enrollment deadline – Nov. 30
- Dual premium billings: Payroll report and prospective invoice due May 16 – transition credit on both
- 2nd invoice in 2016 for both policy year 2015 and 2016 due Sept. 1 (again, transition credits on both)

Public Employer Timeline



- Policy year 2017 notice of estimated annual premium sent late October.
- Policy year 2017 invoice sent Dec. 1; due Dec. 31.
- Payroll true-up report sent Jan. 2, due Feb. 15.

**Deferred payment option can be used.

Web Resources

For more information, visit www.bwc.ohio.gov, click Employers, then click the Prospective billing link

- Overview document (with key dates)
- Frequently asked questions, document and videos
- Timelines
- How-to videos coming soon



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Monday through Friday
7:30 a.m. - 5:30 p.m.
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- [Prospective billing](#)
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- [Experience modifier history](#)
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- [Grow Ohio Incentive Program](#)
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Safety Services

- [Consulting services](#)
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Questions?

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