The third BILLION back

Ohio Workers' Comp Rebates

Giving Back to Ohio Business

Each year, the Ohio Bureau of Workers' Compensation helps nearly 250,000 employers protect their employees. The premiums paid by Ohio's businesses and public employers help provide safety services to reduce workplace incidents and care to get injured workers back to work and back to life. An improving safety climate, good fiscal management and better than expected investment returns have resulted in the State Insurance Fund having a net position of more than $9 billion. So, for the third time in four years, BWC will return more than $1 billion dollars to Ohio's private and public employers. Combined with nearly 30 percent in average rate cuts and $3 billion in previous rebates and credits, this rebate means BWC will have helped return more than $6 billion to Ohio's economy.

What does the plan include?

The one-time rebate for private employers and public-taxing districts will total approximately $1 billion. This includes an estimated $967 million to private employers and $133 million to public employer taxing districts. In total more than 200,000 employers will receive rebates.

BWC will also invest $44 million over two years to improve wellness and safety for workers across Ohio. This includes a new wellness program, funding for specific programs to help firefighters and those who work with children and adults with disabilities, and an education campaign to address common injuries at work and in the hom+e.

How much will employers receive and when?

Most rebates will equal 66% of the employer's premium for the policy year ending June 30, 2016 (calendar year 2015 for public employers). BWC will begin sending checks in early July.

Private employers in the group-retro program will have their rebate amount calculated and paid following the 12-month premium calculation scheduled to occur in October 2017.

Who is eligible for the rebate?

Both private employers and public employer taxing districts that pay into the State Insurance Fund are eligible for the rebate. Generally the employer must have been billed premium for the policy year ending June 30, 2016 (Dec. 31, 2015 for public employers), and be current in meeting their policy requirements. Employers with an outstanding BWC balance will have their rebate first applied to that balance. Employers that report through a Professional Employer Organization should receive their rebate from their PEO, which is required to pass a portion of the rebate on to their members.

How is it possible that BWC has $1 billion to provide rebates?

Despite a nearly 30 percent reduction in rates since 2011, the net position of BWC continues to grow. This is primarily due to strong investment returns. Annualized return of investments was 7 percent over the last three fiscal years, including a total net return of 5.8 percent in FY2016. BWC's expected annual investment return is four percent. Prudent fiscal management and declining claims also factor into BWC's financial strength.

Will this impact BWC's ability to operate as normal and continue to care for injured workers?
No. Investments have performed so well, that even with the $1 billion rebate, BWC's finances will remain strong, so operations will continue as normal and injured workers will continue to receive the care they need to heal and return to work. After the rebate BWC will still have a net position of $8.5 billion with a simple funding ratio of 1.54.

What else has BWC done to help Ohio businesses?

Once the latest rebates have been distributed, BWC will have saved Ohio businesses $6.3 billion through rebates, credits and rate reductions since the beginning of 2011. That includes:

- In addition to the 2017 $1 billion rebate, previously giving rebates of $1 billion in 2013 and 2014.
- Providing $1.2 billion in credits to transition to a modern billing system at no cost to employers.
- Reducing rates for private employers an average of 28.2%. That means BWC collected nearly $1.7 billion less from employers than had 2010 rates remained steady.
- Reducing rates for public employers an average of 29.6%, or $334 million less than had 2010 rates remained steady.
- Moving from the third highest rates in the country in 2008 to the 11th lowest.