

# BWC Update

News from the Ohio Bureau of Workers' Compensation

## Public employer prospective billing and transition credit

Beginning Jan. 1, BWC changed the way it bills public employers for workers' compensation coverage. Under prospective billing, BWC now requires employers to pay premiums in advance of coverage. As public employers transition to prospective billing, BWC is working to ensure you understand how this transition will take place.

As a reminder, a \$1.2 billion premium credit is being provided by BWC to eligible employers to avoid a double-billing of premium during the transition. This will include a 50-percent credit on the policy year 2015 payroll report and a 50-percent credit on the policy year 2016 prospective premium. In essence, this means you will pay approximately the same amount as you would have regardless of the transition to prospective billing.

If you have not received your final payroll report for the 2015 policy year, you will receive it any day. However, to receive the transition credit, you must complete your payroll report and pay at least 50 percent of the premium due by May 16. Because the transition credit is 50 percent of the total premium due for the 2015 policy year, the total amount due by May 16 is 25 percent of your total premium for the 2015 payroll report. Your remaining 25 percent will be due on Sept. 1.

Following is an example to help you understand the calculation of the premium due:

Total 2015 Premium	\$ 250,000
50% Transition Credit	\$ (125,000)
	\$ 125,000
Total Due 5/16/2016	\$ 62,500
Total Due 9/1/2016	\$ 62,500

We encourage you to complete your payroll report at [bwc.ohio.gov](http://bwc.ohio.gov). Doing so can eliminate confusion since the system automatically calculates your transition credit and shows your total amount due.

Finally, you should also have received your 2016 Notice of Estimated Annual Premium. In this packet of information, you will find your two installment billings for the year along with the associated transition credit (another 50 percent off). Your first installment for the 2016 policy year will also be due May 16. You will receive an invoice from BWC in April prompting you to make this payment. Your second installment will be due Sept. 1.

As always, if you have questions, please contact your local BWC customer service office, or call 1-800-644-6292. Additional resources about prospective billing are available at [bwc.ohio.gov](http://bwc.ohio.gov).

