

BWC Board Approves Dividend to Employers

June 6, 2013. Last week the Ohio Bureau of Workers' Compensation (BWC) Board of Directors approved the proposal to issue a one-time dividend of \$1 billion for private employers and public taxing districts. The dividend was made possible due to the current strong financial strength of the fund which is currently at \$8.8 billion and exceeds the target funding ratio of assets to liabilities established by the BWC Board in 2008.

This is welcome news for the hard working employers of Ohio and CompManagement is pleased to share this positive information with you and assist with any questions you may have regarding the dividend payment calculation and distribution.

BWC estimates that the dividend checks will be mailed to employers late June/ early July 2013. The dividend will be 56% of billed premium for the policy period of July 1, 2011 – June 30, 2012 for private employers and January 1 – December 31, 2011 for public employers. Employers who reported zero in payroll will not be eligible.

The following criteria must be met to be able to receive the dividend:

- **Private Employer** - Must be in an active, reinstated, combined, or debtor-in-possession status effective April 1, 2013 as of a May 31, 2013 snapshot; if coverage was canceled prior to April 1, 2013, or was lapsed on April 1, 2013, your organization will not be eligible for the dividend
- **Public Employer Taxing District** - Must be in an active or reinstated status effective March 31, 2013 as of a May 31, 2013 snapshot; if coverage was canceled prior to March 31, 2013 or was lapsed on March 31, 2013, your taxing district will not be eligible for the dividend

In addition, please note the following:

- **Group Retrospective Rating participants** – premium will be based on the individual, experience rated premium net of the impact of the 12 month retrospective refund calculation; dividends will be calculated and paid following the 12-month retrospective refund calculation scheduled to occur in August/September 2013 for private employers only; public employers 12-month retrospective refund calculation has already occurred and therefore payments will follow the late June/ early July 2013 schedule.
- **Individual Retrospective Rating participants** – calculation will be based on the minimum premium plus the impact of retrospective claim loss premium billed for the 2011 policy year as of the May 31, 2013 snapshot.
- **Deductible participants** – calculation will be based on the discounted deductible premium paid for the 2011 policy year but no credit provided for deductible claim costs billed and paid.
- **Self-Insurance** – all employers who paid premium in the 2011 policy year that were granted self-insurance status prior to April 1, 2013 will eligible to receive the dividend based on their billed premium for that policy year.
- **Policies with PEOs** – PEOs who receive a dividend are required to pay the client employers a pro-rata share of the PEO's dividend.

The dividend will be treated as a one-time payment. No adjustments will be made to the dividend amount for any reason after the May 31, 2013 snapshot. BWC will need each employer's Federal Tax Identification Number as BWC is required to issue a 1099 to all employers whose dividend exceeds \$600.00. BWC will be proactively contacting employers whose FIN is not in their system and will hold payment until the information is provided.

Please feel free to contact your CompManagement account representative directly or our Customer Support Unit at (800) 825-6755, option 3 should you have any questions or would like to discuss your individual situation in greater detail based on your program participation.