More than A BILLION back again

Building a culture of safety across the state is at the heart of our work at the Ohio Bureau of Workers' Compensation. Reducing workplace accidents while returning injured workers back to the job and back to life helps both employers and workers thrive.

Safer workplaces and fewer injuries have helped us reduce rates to 30 year lows and deliver more than $4 billion in rebates and credits to Ohio employers since 2011. That leaves more money in employers' hands to invest in their business.

Another factor supporting a robust workers' comp system in Ohio is wise management of the premium dollars BWC collects from 240,000 employers. BWC's financial position is solid with strong investment income and returns.

The result of prudent fiscal management, strong investments and falling claim numbers: We're poised to deliver our largest rebate in 20 years. That would bring the total returned to the economy to more than $8 billion since 2011.

What does BWC's plan include?

A one-time rebate for private employers and public-taxing districts will total approximately $1.5 billion.

How much would employers receive and when?

Most rebates would equal 85% of the employer's premium for the policy year ending June 30, 2017 (calendar year 2016 for public employers). BWC would begin sending checks in early July.

Private employers in the Group-Retrospective Rating Program would receive checks in the Fall.

Who will be 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, 2017 (Dec. 31, 2016 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 will the plan impact local governments and schools?

Local governments and schools have benefitted from three $1 billion rebates since 2013 and a $15 million rebate for Public Work Relief Employees' Fund. During that time, BWC has returned $402 million — $125 million to schools and $277 million to local government entities. This rebate will add an estimated $48 million to schools and $111 million to local governments. As an example, a school district with $12 million in payroll would have been paying $96,000 in premium in 2011, and $73,200 in 2018. That's $124,000 in premium savings. That district would have also received $288,000 in rebates and credits during that time, making for almost $413,000 in savings.

How is it possible that BWC has $1.5 billion to provide rebates?

Despite rate reductions and rebates and credits already totaling $4 billion since 2011, our net position has continued to grow. The State Insurance Fund's net position stands at nearly $11 billion, primarily due to strong investment income and returns. Investments earned a 7.8 percent return in 2017 and an average of 6.6 percent over the last five fiscal years. Prudent fiscal management and declining claims also factor into our financial strength.

Will this impact BWC's ability to operate as normal and continue to care for injured workers?

No. Even with a $1.5 billion rebate, BWC's finances will remain strong, allowing us to continue providing injured workers with the care they need to heal and return to work. In fact, we are developing a proposal to invest a significant amount into worker safety and wellness, which should benefit Ohio workers by further reducing workplace injuries.

What else has BWC done to help Ohio businesses?

Once the latest rebates have been distributed, BWC will have saved Ohio businesses $8 billion through rebates, credits and rate reductions since the beginning of 2011. That includes:

- $1 billion rebates in 2013, 2014 and 2017;
- $1.2 billion in credits to transition to a modern billing system at no cost to employers;
- Rate reductions for private employers of an average of 28.2 percent*. That means BWC collected $1.7 billion less from employers than if 2010 rates had remained unchanged;
- Rate reductions for public employers of an average of 33.9 percent, or $434 million less than had 2010 rates remained steady;
- Moving from the third highest rates in the country in 2008 to the 11th lowest.

**This rate will increase to 35% on July 1, 2018*