

Media Advisory: Oct. 6, 2008

New Law to Lower Workers' Compensation Costs for Many Ohio Employers

New interstate jurisdiction law reduces premiums, limits duplicate claims

COLUMBUS – Ohio businesses operating across state lines are expected to save on future workers' compensation costs following a law change (SB 334) that allows them to reduce the payroll they report to the Ohio Bureau of Workers' Compensation (BWC). Employers are no longer required to include employees working outside of Ohio on their payroll report, if they are carrying workers' compensation coverage in the other states.

“Ohio-based businesses, with employees working in multiple states, often find they are paying twice for workers' compensation insurance coverage,” said BWC Administrator Marsha Ryan. “By eliminating this duplication of coverage, approximately 40,000 Ohio employers will now be on a level playing field with their out-of-state competitors.”

The new law went into effect last month and allows employers to now pay premiums to BWC based on payroll for labor and services performed only in Ohio. Ohio businesses can first take advantage of this change when they file their payroll report and pay their premiums for the Jan. 1 to June 30, 2009, payroll period.

Another provision of the law prevents injured workers from receiving workers' compensation benefits on claims filed in multiple states for the same injury or occupational disease. Injured workers must now select a specific state from which to file a claim and receive workers' compensation benefits.

The law also requires out-of-state employers, with employees working in Ohio, to provide workers' compensation coverage for their workers when they come into Ohio to perform their duties. Previously, Ohio did not require out-of-state employers to obtain coverage in Ohio for temporary workers (less than 90 days). With the implementation of SB 334, employers based in another state with employees working temporarily in Ohio must obtain workers' compensation coverage from BWC unless their state affords Ohio employers some degree of reciprocity. This applies even if they have workers' compensation coverage in their home state.

BWC is in the process of contacting other states to encourage participation and cooperation.

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