



# NOTICE TO OREGON EMPLOYERS

## OCTOBER 23, 2009

### WHAT EMPLOYERS WILL PAY FOR WORKERS' COMPENSATION IN 2010:

- Workers' compensation insurance premiums: The average pure premium rate will decline by 1.3 percent from the average 2009 level. Pure premiums are the base rates, before insurer costs are added.
- Workers' Benefit Fund ("cents-per-hour") assessment: 2.8 cents per hour or partial hour worked by each paid employee subject to workers' compensation coverage, unchanged from the past three years.
- Premium assessment: 4.6 percent for 2010, based on premiums paid, unchanged from the past three years.

**Please share this notice with your payroll and risk management staff.**

### 2010 Workers' Compensation Insurance Average Premium Rate

The Department of Consumer and Business Services has determined that the average pure premium rate Oregon employers will pay for workers' compensation insurance in 2010 will decrease by 1.3 percent from the average 2009 level. The pure premium rate is the base premium reflecting the actual cost of workplace injury and illness claims, before insurer administrative expenses and profit are added. This is the fourth consecutive year the rate has decreased, following four years in a row with no change in the rate. Prior to that, there were 12 consecutive annual decreases from 1991 to 2002. The cumulative decrease in pure premiums since 1990 totals more than 60 percent and represents an estimated \$17.4 billion in workers' compensation premium savings to employers. *The 2010 rate decrease of 1.3 percent represents an average across all types of businesses. Rates for specific businesses and industry groups may be higher or lower, depending on group and individual claim records. Employers pay their premiums directly to their insurers. Premiums do not fund state programs or services.*

### 2010 Workers' Benefit Fund Assessment ("Cents-Per-Hour") Rate

For calendar year 2010, the Department of Consumer and Business Services has set the Workers' Benefit Fund assessment rate at 2.8 cents, unchanged from the past three years. This applies to each full or partial hour worked by each paid individual that an employer is required or chooses to provide with workers' compensation insurance coverage. This fund pays for programs that provide direct benefits to injured workers and their beneficiaries. The fund also provides money to help employers help injured workers return to work. Employers who fail to provide workers' compensation coverage required by law are still subject to the assessment. *The rate of 2.8 cents per hour is the employer's and worker's rate combined. Employers pay at least half (1.4 cents per hour) of this assessment, and deduct no more than half from workers' wages. Each quarter, employers use Forms OQ and OTC (or approved electronic equivalents) to report and pay the full assessment amount to the state through Oregon's Combined Payroll Tax Reporting System. For comprehensive information about the Workers' Benefit Fund Assessment, go to [www.oregon.gov/DCBS/FABS/wbf.shtml](http://www.oregon.gov/DCBS/FABS/wbf.shtml). You also can call the Workers' Compensation Assessments Hotline at 503-378-2372 or e-mail [wbfassess.fabs@state.or.us](mailto:wbfassess.fabs@state.or.us).*

### 2010 Workers' Compensation Premium Assessment Rate

Effective Jan. 1, 2010, the assessment used to fund workers' compensation related programs and workplace safety and health programs that serve Oregon employers and workers will be set at an amount equal to 4.6 percent of the premiums charged for workers' compensation coverage. The 2010 premium assessment rate of 4.6 percent is unchanged from the rate effective during the past three years. Self-insured employers and self-insured employer groups will pay a rate of 4.8 percent, which is also unchanged from the past three years. *Workers' compensation insurers, self-insured employers, and self-insured employer groups pay this assessment to the state. Insurers can pass on the cost of the assessment to the employers they cover, but must identify that cost as a separate line item on billing statements.*

**For more information about workers' compensation costs: contact your insurer, call the Oregon Department of Consumer and Business Services, 800-452-0288, or visit [www.dCBS.oregon.gov](http://www.dCBS.oregon.gov) and click on "Workers' Compensation Rates."**

## Workers' Compensation Services for Employers

The Department of Consumer and Business Services provides many services to Oregon employers to help them lower workers' compensation costs, understand workers' compensation law, and improve workplace safety and health. The following is a sampling of those services.

### Return-to-work programs

Both employers and injured workers benefit when a worker returns to gainful employment as quickly as possible after an on-the-job injury. The Employer-at-Injury Program (EAIP) and the Preferred Worker Program (PWP), which are funded by worker and employer payroll assessments, help employers and workers in that effort.

- ◆ EAIP encourages early return to work by helping employers use transitional work assignments for injured workers who are recovering from an injury. The insurer responsible for the worker's claim administers the program and requests reimbursement for program costs from the Workers' Compensation Division. Program reimbursements include wage subsidy; worksite modification; and certain types of purchases necessary for transitional work, such as tuition, books and fees, tools and equipment, or clothing.
- ◆ The Preferred Worker Program covers workers who have a permanent disability from an Oregon on-the-job injury and are unable to return to regular work because of that injury. PWP provides financial incentives for employers that hire, or rehire, a preferred worker, including premium exemption, claim cost reimbursement, wage subsidy, worksite creation and modification, and employment purchases.

For more information on the return-to-work programs, visit [www.oregonrtw.info](http://www.oregonrtw.info), e-mail [OregonEAIP@state.or.us](mailto:OregonEAIP@state.or.us) or [OregonPWP@state.or.us](mailto:OregonPWP@state.or.us), or call 503-947-7813 or 800-445-3948 (toll-free).

### Training

- ◆ The Workers' Compensation Division provides training, conferences, workshops, and speakers to help you understand workers' compensation issues. Training can be tailored to any audience, and some sessions offer continuing-education credit. Call 503-947-7515.
- ◆ Oregon OSHA provides workshops on basic safety and health programs, safety committees, and accident investigation as well as technical training on specific topics such as ergonomics and excavations. For more information, call 503-947-7443 or 888-292-5247. Visit [www.osha.org](http://www.osha.org) for a schedule of classes.

### Safety and health consultations

Oregon OSHA offers no-cost, on-site safety and health assistance to help Oregon employers recognize and correct workplace safety and health problems. Call 503-378-3272 or 800-922-2689 or e-mail [consult.web@state.or.us](mailto:consult.web@state.or.us).

### Safety and health recognition

Oregon OSHA recognizes employers for making a commitment to workplace safety and health through SHARP (Safety and Health Achievement Recognition Program) and VPP (Voluntary Protection Program). Call 503-947-7437 or 800-922-2689 or e-mail [consult.web@state.or.us](mailto:consult.web@state.or.us).

### Small Business Ombudsman

The Small Business Ombudsman for workers' compensation serves as an advocate for employers. Employers looking for workers' compensation insurance coverage and needing assistance in claim processing or claim management may contact the office, 503-378-4209.

#### More information

Workers' Compensation Division: call 800-452-0288, e-mail [workcomp.questions@state.or.us](mailto:workcomp.questions@state.or.us), or visit [www.wcd.oregon.gov](http://www.wcd.oregon.gov).

Oregon OSHA: call 503-378-3272 or 800-922-2689, e-mail [tech.web@state.or.us](mailto:tech.web@state.or.us), or visit [www.osha.org](http://www.osha.org).



# Oregon

Theodore R. Kulongoski, Governor

## Department of Consumer and Business Services

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October 23, 2009

Dear Oregon employer:

Once again, the Department of Consumer and Business Services is pleased to deliver you good news about workers' compensation costs. For the fourth straight year, the "pure" premium rate is decreasing for Oregon employers. On average, employers in Oregon will see a 1.3 percent decline in the pure premium rate in 2010. That follows a 5.9 percent decrease in 2009, a 2.3 percent reduction in 2008, and a 2.1 percent decrease in 2007. In fact, workers' compensation rates have not increased in Oregon in 20 years, which has saved Oregon employers a total of \$17.4 billion.

One of the primary reasons Oregon has been able to keep costs down is that there are fewer workplace injuries and illnesses, and the injuries and illnesses that do occur are less severe. That is a testament to the hard work of employers and workers over the years to make workplaces safer. Another major factor in maintaining low workers' compensation costs has been the use of Oregon's return-to-work programs, which bring injured workers back to work faster. Use of the Employer-at-Injury Program – the most widely used return-to-work program – has grown 100 percent during the past five years.

Of course, reducing costs is even more critical right now, due to the downturn in the economy. Like many Oregon businesses, our department has cut staff and expenditures in response. However, we still provide many free resources to Oregon employers to help them improve workplace safety and health and lower their workers' compensation costs. The services are listed on page 2, along with contact information, but I wanted to highlight a few things that might be particularly useful to you during these tough economic times.

Oregon OSHA offers free public education classes that provide information on safety and health requirements and help employers build safer workplaces. This information can be extremely helpful in preventing accidents and avoiding fines if you are inspected by Oregon OSHA. Classes are held throughout the state and cover topics such as workplace safety meetings, conducting accident investigations, hazard communication, and ergonomics. The classes are funded in part by workers' compensation premium assessments.

Oregon OSHA also offers no-cost consultations to employers on workplace safety and health issues. Employers can request an evaluation of all or any aspect of its workplace safety and health. After the visit, Oregon OSHA provides the employer with a report, including recommendations for improvement. The consultation report is confidential, and consultants do not share the results of the visit with enforcement staff. Many employers that take advantage of this free service reduce their injury rate and workers' compensation costs.

Finally, as mentioned earlier, Oregon has unique, nationally recognized return-to-work programs. These programs offer incentives, such as wage subsidies and funds to modify worksites, to employers that bring injured workers back to work. This not only results in significant savings to employers, but it helps workers become self-sufficient quickly, and workers who use these programs come back to work at higher wages than those who do not use the programs. Each year, these programs help more than 8,000 injured workers and return approximately \$25 million to employers.

If you are not already, I encourage you to take advantage of these free services. Although the economy undoubtedly has created additional challenges for your business, it is important to stay focused on workplace safety and health in order to continue Oregon's tremendous success story.

Cory Streisinger, Director  
Oregon Department of Consumer and Business Services



DEPARTMENT OF  
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**2010 Workers' Compensation  
Premium Rate Information Enclosed**

## **Employers:**

**The Workers' Compensation Division can help you save employee costs and help injured workers return to work.**

**To find out more, subscribe to our new electronic employer newsletter. Visit [www.oregonrtw.info](http://www.oregonrtw.info) and subscribe to receive periodic newsletter updates via e-mail.**