



# Workers' Benefit Fund (WBF) Assessment

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# Important information

The 2026 Workers Benefit Fund (WBF) assessment rate is 1.8 cents per hour. Go online at <https://www.oregon.gov/dcbs/cost/Pages/index.aspx> for current rate notice.

**This booklet addresses only the WBF assessment** and does not cover information provided in the annual Oregon Combined Payroll Tax Reporting Instructions located at <https://www.oregon.gov/dor/forms/Pages/default.aspx>.

Oregon Department of Revenue (DOR), Oregon Employment Department (OED), and Department of Consumer and Business Services (DCBS) rules may differ from each other. **Carefully read all instructions. If you have questions, contact the appropriate agency.**

## Overview

Employers who maintain workers' compensation insurance for themselves, their employees, or both are subject to three types of payment, each of which sounds similar:

**The insurance premium** – This is the payment employers make to an insurer for workers' compensation insurance coverage.

**The workers' compensation premium assessment** – This is an assessment that insurers calculate as a percentage of the insurance premium paid by each employer and charge to employers as part of their insurance billing. Insurers collect the premium assessment from the employers they cover via the employer's premium statement, and then send the assessment to the state. Premium assessments fund administrative costs of the state's workers' compensation system, noncomplying employer claims, a portion of Oregon OSHA administrative costs, and other related programs.

### **The Workers' Benefit Fund (WBF) assessment**

This is an assessment on the payroll earned by all workers subject to Oregon workers' compensation law, or non-subject workers the employer chooses to cover with workers' compensation insurance. The assessment is calculated on the basis of hours worked in the quarter they are paid by employers.

### **How the assessment rate is determined –**

Annually, Department of Consumer and Business Services (DCBS) reviews and may adjust the WBF assessment rate as needed to meet stringent fund-balance requirements. The hourly rate is determined based on cash balances and projected levels of need of the programs funded by the assessment. The department provides public notice to employers and payroll service providers before any change to the rate. Every October, employers and payroll service providers are mailed the rate notice for the upcoming year.

## **The WBF assessment pays for the following:**

- Cost-of-living increases to the monthly payments made to permanently and totally disabled workers and to the spouses and children of workers who died as the result of an occupational injury or disease
- Employment and re-employment of workers with disabilities
- Monetary incentives to Oregon employers to hire or rehire Oregon injured workers

More information about programs funded by the WBF is available at <https://www.oregon.gov/dcbs/wbf> or by calling 800-445-3948 (toll-free) or 503-947-7588.

**Paying the WBF assessment does not provide employers with workers' compensation insurance coverage.**

## Workers subject to WBF assessment

Every employee is subject to the WBF assessment. The law defines the following as employees:

- All paid workers for whom the employer is required by Oregon law to provide workers' compensation insurance coverage; and
- All paid individuals (workers, owners, officers) who may otherwise be nonsubject, but the employer chooses to cover under workers' compensation insurance; and
- All paid individuals performing personal support work who are eligible for workers' compensation insurance coverage [HB 3618 (2010)]. Refer to ORS 410.600-410.625 for home care workers.

To determine whether a worker is subject to Oregon's workers' compensation law and WBF assessment, see "Contact us."

**Exception:** Employers are not required to report hours or pay WBF assessment for volunteer employees, even if they are covered by the employer's workers' compensation insurance policy. A volunteer employee is defined as a person who does not receive money for services rendered or receives only nonmonetary compensation.

As a business, you may qualify for exemption from reporting the WBF assessment if you don't have any paid individuals (including yourself) covered by your workers' compensation insurance policy. To request an exemption from WBF assessment reporting, complete and mail to DCBS a Corrections and Changes Notification form. To download the form, visit [https://wcd.oregon.gov/WCDForms/211\\_158.pdf](https://wcd.oregon.gov/WCDForms/211_158.pdf).

## Calculating and reporting WBF assessment

### Manner and intervals for filing and payment

Each pay period, an employer must retain from the money earned by each employee an amount equal to one-half the assessment rate under OAR 436-070-0010 multiplied by the number of hours or parts of an hour the employee worked in that pay period. Employers are responsible for paying the other half of the assessment based on the total amount retained from each employee's wages during the pay period.

Use the same pay period to calculate WBF assessment as used to calculate the employees' state and federal withholding tax.

### Definition of hours worked

- An hour worked is an hour in which the subject worker, or covered owner or officer, is engaged in a work activity. The WBF assessment is based on all hours worked. (See below for how to treat partial hours worked.) The following are included in hours worked: Overtime, new employee orientation, required training, and paid travel time. Do not include leave, on-call, or standby hours.

### How are hours calculated for full-time and part-time employees?

- If actual hours worked are not tracked, an employer may either calculate the assessments using a flat rate, use contract information stating the number of hours an employee works, or use another reasonable method for calculating hours worked. Employers are required to document the method used in case of an audit.

- ◆ If the flat rate method is used, the calculation must be based on 40 hours per week for employees paid weekly or biweekly, or 173.33 hours per month for employees paid monthly or semi-monthly. If using the flat-rate calculation, do not include overtime, leave, training, orientation, travel, on-call, or standby hours. The flat rate calculation may not be used for any employee whose hours are tracked, whether full or part time.

## How are partial hours worked calculated for the WBF assessment?

- Do not round fractions of hours worked when calculating the employee's portion for WBF assessment. Example: If hours worked are 38.5, multiply the employee's portion by 38.5.

## How are fractions of a cent calculated for the assessment portion from an employee's wages?

- If the amount to be retained from an employee includes a fraction of a cent, the employer must round as follows:
  - ◆ For amounts greater than or equal to one-half (1/2) of a cent, the employer must round up to the nearest whole cent. Multiply hours worked by assessment rate. For example, an employee who worked 29.5 hours in a pay period,  $29.5 \times .018 = \$0.531$ . Half of \$0.531 is \$0.265. The employer portion would be rounded up to \$0.27, and the employee portion would be \$0.26.
  - ◆ For amounts less than or equal to one-half (1/2) of a cent, the employer must round up to the nearest whole cent. Multiply hours worked by assessment rate. For example, an employee who worked 39.25 hours in a pay period,  $39.25 \times .018 = \$0.706$ . Half of \$0.706 is 0.353. The employer portion would be rounded down to \$0.35, and the employee portion would be \$0.35.

## How do you report payroll earned in December, but not paid until January when there is a new WBF assessment rate?

- Use the assessment rate in which the payroll is paid, not earned. Example: If hours worked are in December, but not paid until January, use the rate for January.

## Can the employer choose to pay the employee's half of the WBF assessment?

The law states it is the responsibility of the employer to collect, report, and pay to the state the full WBF assessment. However, the Department of Consumer and Business Services does not specifically enforce how the assessment is split between employer and employees, as long as the employer collects no more than half of the assessment from the employee.

## Is the WBF assessment deducted from the employee's wages before or after taxes?

When the employee portion of the WBF assessment is withheld from the employee's wages, it is deducted from the gross salary and does not change the amount of withholding for other payroll taxes or deductions.

## Does the Department of Revenue consider it a taxable benefit if an employer pays the employee's half of the WBF assessment?

Yes. The law states the employer will deduct half of the WBF assessment from the employee's wages. Therefore, if the employer pays the employee's portion, the Department of Revenue considers this a taxable benefit to the employee.

The Department of Revenue uses the following example: An employee's gross taxable wage is \$1,000, and the employee portion of the WBF assessment is \$3. If the employer chooses to pay the total assessment, the employee's taxable gross wage is increased to \$1,003. If the employee pays the WBF assessment, the gross wage remains at \$1,000 and is not reduced by the amount of the assessment. For more information, contact the Department of Revenue at 503-945-8091.

## Does the Department of Revenue require employers to report WBF assessment withholdings on form W-2?

Normally, the employee portion of the WBF assessment withheld from the employee's paycheck is not included on the form W-2 as local taxes. However, if the employer chooses to pay the employee's portion of the WBF assessment, rather than deduct it from the employee's paycheck, the employer must include this amount as additional wages on line 1 and line 15 (state wages) of the form W-2 as a taxable fringe benefit. For questions about W-2s, refer to contact information for the Department of Revenue on [Page 9](#).

## How to report the WBF assessment

- Employers subject to quarterly reporting will report the WBF assessment on the **Oregon Quarterly Tax Report (Form OQ)** using Frances On-line at <https://frances.oregon.gov/employer>.
- If subject to WBF only, employers of domestic employees or an agricultural employer complete only the WBF assessment portion (lines 9-13). For employers that are annual filers, the WBF hours are reported in the fourth quarter.

## Paying the WBF assessment

### Option 1:

To electronically pay the WBF assessment and state payroll taxes (quarterly or annually), use the Oregon Department of Revenue's website Revenue Online. You can make ACH debit payments for the WBF assessment through this system with a Revenue Online account.

Log in to Revenue Online at <https://www.oregon.gov/dor>. Select your withholding payroll account on the main screen and then make OTC payment. NOTE: Balances displayed in Revenue Online are for the Department of Revenue only, and **do not** reflect WBF balances.

### Option 2:

To send payment by check with the Oregon Combined Tax Payment Coupon (Form OR-OTC-V), use a single check for the total amount of all state payroll taxes due, including the WBF assessment. Complete the Form OR-OTC-V to itemize how the payment should be allocated. The scan line on each **Form OR-OTC-V** contains personalized coding. It is important to make sure to use the correct **Form OR-OTC-V** for the business and the correct year. Never alter the preprinted text or scan line on **Form OR-OTC-V**.

To request Form OR-OTC-V coupons, or update the information on the coupons, contact the Department of Revenue at 503-945-8091 or 503-378-4988.

## Amending WBF hours on Quarterly Reports

WBF hours can be amended directly by contacting WBF Assessments through email or by phone (see contact information on [Page 9](#)). For other agency amendments, refer to the Oregon Combined Payroll Tax Reporting Booklet at <https://www.oregon.gov/dor/forms/Pages/default.aspx>.

### How far back can WBF assessment reports be adjusted or corrected?

WBF assessment reports can be corrected only for quarters during the current calendar year and three preceding years, per Oregon Administrative Rule (OAR) 436-070-0020(7). This excludes quarters already in audit, but not yet resolved, at the change of a calendar year.

Once a quarter's assessment has been made final by Order of Default, the Department of Consumer and Business Services will not accept amendments to reduce that assessment.

## Commonly asked questions

### If I employ a preferred worker, am I required to report and pay the WBF assessment?

Yes. Oregon Revised Statute 656.622(10) and Oregon Administrative Rule 436-110-0325(1) exempt an employer from paying workers' compensation insurance premiums and premium assessments on a preferred worker for three years from the date of hire. However, the statute does not authorize exemption from reporting and paying the WBF assessment. The employer must comply with the WBF assessment reporting and payment requirements of OAR 436-070 for preferred workers and other subject workers.

### How do I report and pay the WBF assessment for employees in a wrap-up project?

A wrap-up project is a large construction project in which multiple contractors work together under one umbrella for several things, including covering the cost of workers' compensation insurance. A "wrap-up," for workers' compensation purposes, is not the employer, but the "person" (loosely defined as an entity) that pays the insurance on the wrap-up project.

Although the wrap-up pays the workers' compensation insurance, each employer continues to have responsibility to report and pay its WBF assessment. In other words, although all contractors involved in the wrap-up project may get their insurance coverage paid by the wrap-up, each participating employer is responsible for reporting and paying the WBF assessment for any of its employees covered by that insurance.

### Must employers who maintain active workers' compensation coverage, but who have no subject employees, file a report?

It depends. Employers must report the hours worked by every paid person covered by their workers' compensation insurance. In addition to subject workers, this includes any employees, officers, and owners who are not subject to workers' compensation law, but for whom the employer chooses to provide coverage. Even if the covered parties worked no hours during the reporting period, a report must be filed to report "0" hours worked and "0" assessment due.

Some employers choose to maintain active "just in case" coverage. This is coverage maintained just in case an employee is hired, although no one, including the policyholder, is covered. If an employer maintains active coverage, but has no covered parties, the

employer may file a [WBF Assessment Corrections and Changes Notification form](#) to report this status. DCBS will verify the information on the form and grant the employer an exemption from filing "0" reports. However, as soon as any paid person is covered by the workers' compensation insurance, the employer must contact the Workers' Compensation Assessments Section of DCBS to reinstate reporting liability.

## Must employers pay if the WBF assessment owed is less than \$1?

All employers must report the hours worked and assessment owed on Form OQ to avoid possible failure-to-file interest and penalties. Employers are encouraged to send payment using Revenue Online at <https://revenueonline.dor.oregon.gov>.

## Can employers pay the WBF assessment at the same time they pay their monthly withholding taxes?

Yes. Employers are encouraged to pay their WBF assessment when completing their quarterly report. If an employer is participating in the combined payroll system and chooses to send payments more often, they will be accepted.

## Can employers submit more than one Form OQ per quarter for each payroll tax?

No. The law combines the reporting and payment of all payroll taxes. For employers who participate in the combined reporting system, only one Form OQ may be submitted. If corrections are needed after submitting Form OQ, the employer is required to submit an amended report. Refer to Oregon Combined Payroll Tax Reporting Booklet at <https://www.oregon.gov/dor/forms/Pages/default.aspx>.

## Do self-insured employers report WBF assessment?

Self-insured employers report and pay WBF assessment in the same way other subject employers report and pay the assessment. The WBF assessment is a separate assessment from the Payroll and Premium Assessment Quarterly Report (**Form 900/937**).

## Credits or refunds

To transfer credits on WBF assessment accounts to another Combined Payroll tax program or to request a refund, submit the following information:

1. Business name and Business Identification Number (BIN).
2. The quarter, year, amount, and tax program to which you want the credit applied or refund amount
3. Contact name, position, email, and phone number
4. Provide copy of notice received regarding the credit

See [contact us](#) for contact information for this request.

## Closing or updating account

### How do employers report a business has closed or changed ownership?

Complete the form at <https://www.oregon.gov/employ/Businesses/Documents/2023-10-business-change.pdf>.

### How do employers notify the Workers' Compensation Division of change to workers' compensation insurance?

As an employer, you do not need to notify the Workers' Compensation Division about changes in insurance. Your insurer is required to file proof of coverage with the division when it issues a policy to you, and must also notify the division if that policy is canceled.

Please be aware that notifying the division that your business has closed, changed ownership, or no longer has employees will not result in the cancellation of your policy. If you want to cancel your policy, you must provide notice to your insurer.

### How is a WBF account updated?

Employers who change ownership, discontinue business, or no longer have employees can update changes in reporting liability of their WBF assessment account by completing the Corrections and Changes Notification form: [http://wcd.oregon.gov/WCDForms/211\\_158.pdf](http://wcd.oregon.gov/WCDForms/211_158.pdf).

## Contact us

### WBF assessments

For questions about the collection and reporting of WBF assessments, contact the Assessment Unit at the Department of Consumer and Business Services, Central Services Division:

Email: [wbf.assessments@dcbs.oregon.gov](mailto:wbf.assessments@dcbs.oregon.gov)

Phone: 503-378-2372

Fax: 503-378-3134

Mail: DCBS, Central Services Division  
Assessments Unit  
P.O. Box 14480  
Salem, OR 97309-0405

### Subjectivity

For questions about employer or worker subjectivity to the WBF assessment, contact the Employer Compliance Unit at the Department of Consumer and Business Services, Workers' Compensation Division:

Email: [workcomp.questions@dcbs.oregon.gov](mailto:workcomp.questions@dcbs.oregon.gov)

Phone: 503-947-7815 or 888-877-5670  
(toll-free)

Web: <http://wcd.oregon.gov/employer/Pages/index.aspx>

## State withholding and transit taxes

Email: [payroll.help.dor@dor.oregon.gov](mailto:payroll.help.dor@dor.oregon.gov)

Phone: 503-945-8100 or 1-800-356-4222  
(toll-free)

Fax: 503-945-8772

Mail: Oregon Department of Revenue  
955 Center St. NE  
Salem OR 97301-2555

Go to <https://www.oregon.gov/dor> for:

- Payroll tax basics
- Sign up for payroll tax news
- Transit rates and taxes for employers
- Withholding tables and for

## State unemployment insurance tax (UI)

Email: [contributions.unit@employ.oregon.gov](mailto:contributions.unit@employ.oregon.gov)

Phone: 503-947-1488

Fax: 503-947-1700

Mail: Oregon Employment Department:  
Tax Section  
875 Union St NE  
Salem OR 97311-0030

Go to <https://frances.oregon.gov/employer/> for:

- Electronic reporting
- Order or download forms
- UI account information





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