



# Oregon

Kate Brown, Governor

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## **BULLETIN NO. 388** **June 9, 2022**

TO: Self-insured employers

SUBJECT: Self-insured base rates and choice of method used for determination of premium assessment

EFFECTIVE: July 1, 2022, through June 30, 2023

This bulletin notifies self-insured employers of the base rates to be used for calculating the premium assessment for quarters occurring during the period from July 1, 2022, through June 30, 2023. In addition, this bulletin provides reporting instructions and rating plan options.

*The forms and rates referenced in this bulletin are not effective until July 1, 2022. Refer to Bulletin 385 in order to complete the second quarter (April, May, June) 2022 Workers' Compensation Payroll and Assessment Reports.*

### **IMPORTANT CHANGES:**

- The aircraft seat surcharge is discontinued for reporting periods beginning on or after July 1, 2022
- Class code changes effective with this bulletin include:
  - ◆ 0169 is expired, reassigned to 0083
  - ◆ 2683 is expired, reassigned to 2501
  - ◆ 3240 is expired, reassigned to 3257

For questions about these changes, contact a self-insurance auditor by email at [WCD.SelfInsuranceAuditors@dcbs.oregon.gov](mailto:WCD.SelfInsuranceAuditors@dcbs.oregon.gov).

### **Choosing a Plan (Normal or Retrospective Rating)**

Under Oregon Administrative Rule (OAR) 436-085-0030, self-insured employers may choose to calculate their premium assessment using either the normal plan or the retrospective rating plan. On or before July 1 of each year, every self-insured employer choosing to change their current method of premium calculation must submit written notification of its choice to the director. Once chosen, the method may not be changed for that fiscal year and remains in effect until the self-insured employer timely chooses to change the method. If an employer becomes self-insured after July 1, or if a self-insured employer does not select an option, the self-insured employer must use the normal plan method of premium calculation for that fiscal year.

### **Normal Plan**

The normal plan calculates the assessable net premium by modifying manual premium by experience rating and premium discount. Self-insured employers must use the base rates in **Exhibit B** if they choose to use this plan. These rates are calculated by multiplying the rates published by the National Council on Compensation Insurance (NCCI) effective April 1, 2022, by a factor developed by the director. This factor can be up to the average of all loss cost multipliers filed by insurers with the Division of Financial Regulation effective April 1, 2022, weighted by market share. The premium discount percentage and cutoff points are the same as those applied to a non-self-insured employer's premium under the advisory premium plans located in Appendix A of NCCI's Basic Manual. *Use Form 937, "Workers' Compensation Payroll and Assessment Quarterly Report – Normal Plan" (Rev. 5/22) to report and pay premium assessments.*

### **Retrospective Rating Plan**

The retrospective rating plan calculates the assessable net premium using a one-year retrospective rating plan. Self-insured employers must use **Exhibit A** if they choose to use this plan, which identifies the options available along with definitions, examples, and instructions. NCCI provides five rating options available for each hazard group included under this plan. The selected option applies to all payroll and losses incurred on or after July 1 of each year the plan is in effect. *Use Form 900, "Workers' Compensation Payroll and Assessment Quarterly Report – Retrospective Rating Plan" (Rev. 5/22) to report and pay premium assessments.*

## **Reporting and Paying the Quarterly Premium Assessment**

A self-insured employer must report and pay premium assessment under the plan selected, using a completed Form 900 (Retrospective Rating Plan) or Form 937 (Normal Plan). The report must be certified to be true and accurate by an authorized representative of the self-insured employer, and is due no later than:

- Oct. 31, for the quarter ending Sept. 30
- Jan. 31, for the quarter ending Dec. 31
- April 30, for the quarter ending March 31
- July 31, for the quarter ending June 30

Reports and payments must be delivered or postmarked on or before the due date to be considered timely. If the due date falls on a Saturday, Sunday, or legal holiday, the report and payment must be delivered or postmarked no later than the first business day following the due date. Incomplete reports will not be accepted and will be considered a failure to report. The director may assess a civil penalty for late reports or late payments. Additionally, a self-insured employer's self-insurance certification may be revoked for failure to pay the quarterly premium assessment.

The Workers' Compensation Division offers interactive forms (Microsoft Excel®) on its website: <http://wcd.oregon.gov/forms/Pages/forms.aspx>. These forms automatically insert the correct base rates, calculate the premium, calculate the premium discount, and compute the total assessment due based on information provided by the self-insured employer. It is recommended that a new form be downloaded prior to completing reports for the quarters ending Sept. 30 and March 31.

## Waiver of Reporting Requirements

The Department of Consumer and Business Services (DCBS) may waive a self-insured employer's reporting requirements on the employer's request after confirming that the employer has had no Oregon payroll for four consecutive quarters. The department will notify the self-insured employer in writing when it grants a waiver. Upon the effective date of a waiver, the self-insured employer is exempt from filing quarterly premium assessment reports until it once again has Oregon payroll.

## Class Codes

Before submitting the quarterly report, a self-insured employer must contact the Workers' Compensation Division's Self-Insurance, Registration, and Reimbursements (SIRR) Unit by phone, 503-947-7057 or email, at [WCD.SelfInsuranceAuditors@dcbs.oregon.gov](mailto:WCD.SelfInsuranceAuditors@dcbs.oregon.gov), for changes to existing class codes or to add a new class code to its established classifications. A self-insured employer must submit justification for a class code change, the class code being requested, and a complete description of the work performed.

## Questions

For assistance with reporting and paying your assessment, contact the assessment analyst by phone, 503-378-2372; fax, 503-378-3134; or email, [WC.PremiumAssessments@dcbs.oregon.gov](mailto:WC.PremiumAssessments@dcbs.oregon.gov).

For questions about the retrospective rating plan method, contact the SIRR Unit by phone, 503-947-7057.

Submit the premium assessment plan selection to the Department of Consumer and Business Services, Workers' Compensation Division, Self-Insurance, Registration, and Reimbursements Unit, by mail, P.O. Box 14480, Salem, OR 97309-0405; fax, 503-947-7725; or email, [WCD.SelfInsurance@dcbs.oregon.gov](mailto:WCD.SelfInsurance@dcbs.oregon.gov).

OAR 436-085, "Premium assessment," is available online at <http://wcd.oregon.gov/laws/Pages/Rule.aspx?r=085>.



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Workers' Compensation Division

Distribution: WCD-LY, GovDelivery electronic mailing lists, PD8903 (self-insured), PD8913 (service companies), PD8902 (SIPA)

Attachments: [Exhibit A](#) - Retrospective Rating Methods  
[Exhibit B](#) - Self-Insured Base Rates and Hazard Groups for Fiscal Year 7/1/22 – 6/30/23  
Instructions for Payroll and Premium Assessment Quarterly Report  
[Form 937](#), Workers' Compensation Payroll and Assessment Quarterly Report, Normal Plan (Rev. 5/22)  
[Form 900](#), Workers' Compensation Payroll and Assessment Quarterly Report, Retrospective Rating Plan (Rev. 5/22)

**Instructions**  
**Workers' Compensation Payroll and Assessment Quarterly Report**  
**(Retrospective Rating Plan Form 900 and Normal Plan Form 937)**

**Gross payroll defined** - Under Oregon Revised Statute (ORS) 656.005(22), OAR 436-085, and rules established by the NCCI, calculate and report gross wages subject to premium assessment based on the following guidelines:

**Inclusions**

- ◆ Base pay for all time worked
- ◆ Commissions
- ◆ Holiday pay
- ◆ Sick pay
- ◆ Assumed wages<sup>2</sup>
- ◆ Bonus pay anticipated under the contract of employment and stock bonus plan
- ◆ Employee contributions to 401K, cafeteria plans, or health care plans
- ◆ Voluntary deduction in pay for self-insured health care coverage
- ◆ Corporate officer wages for all covered officers, subject to Oregon minimum (\$1,250/week) and maximum (\$5,000/week)
- ◆ Employer paid wage while on jury duty
- ◆ Draws against commissions
- ◆ Undocumented travel pay
- ◆ Rental value of an apartment or house provided to an employee based on comparable accommodations

**Exclusions<sup>1</sup>**

- ◆ Vacation pay<sup>3</sup>
- ◆ Dismissal or severance pay
- ◆ Stock options – right given to buy a stock at a given price
- ◆ Discretionary bonuses, or bonuses to reward workers for safe working practices
- ◆ Tips and gratuities
- ◆ Excess overtime pay – that portion of the overtime rate which is in excess of the straight-time rate (e.g., if the straight-time is \$14/hour and the overtime rate is \$21/hour, exclude the extra \$7/hour)
- ◆ Life insurance
- ◆ Payroll amounts picked up by employers under Public Employees' Retirement System (PERS), employee savings plans, and cafeteria plans
- ◆ Payroll for qualifying preferred workers while the employer is actively using premium exemption in accordance with OAR 436-110
- ◆ Third party paid sick leave

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<sup>1</sup> Exclusions are only allowed *if* payroll records identify the exclusions **separately** by employee and in summary by NCCI class. For example, if leave pay is combined the pay does not qualify for exclusion. Prorating or assigning percentages to leave pay is not allowed.

<sup>2</sup> Wage rate established to determine premium for covered volunteers and other unpaid workers. The rate should be equal to the rate normally received by non-volunteer workers doing the same or similar work.

<sup>3</sup> When related to the COVID-19 pandemic, administrative leave pay or wage continuation for furloughed employees should be treated as vacation pay and excluded from gross wages.

### Instructions for page 1:

1. Enter employer name, mailing address, four-digit Workers' Compensation Division insurer number, Oregon Business Identification Number (BIN), and the quarter for which premium is being reported. The reporting quarter must be selected for the form to perform the calculations. (For questions regarding insurer numbers, and BINs, email [WC.PremiumAssessments@dcbs.oregon.gov](mailto:WC.PremiumAssessments@dcbs.oregon.gov) or call 503-378-2372.)
2. For each class assigned to a self-insurance plan, enter the class code, payroll description, and gross payroll. The base rate<sup>4</sup> will populate based on the quarter selected in step 1. The form will multiply the gross payroll by the base rate and divide the resulting number by 100 to calculate the employer's premium for each class. The form will subtotal the "gross payroll" column and the "employer's premium" column, and carry forward the employer's "total premium" amount to the second line of page 2.

### Instructions for page 2:

1. Enter the most recent experience rating modification (ERM) provided by the Workers' Compensation Division. The form will multiply the employer's total premium by the ERM to calculate the standard premium.
2. The form will calculate the assessment payable as follows:
  - A. If completing **Form 937 (normal plan)**:
    - i. If reporting payroll for class 7421 (Flight Crew Members) **for quarters prior to July 1, 2022**, enter the number of passenger seats (not to exceed 10) for each aircraft operated. The form will multiply the number of seats by \$25 to calculate the aircraft seat surcharge. If class 7421 is not assigned, leave field blank.
    - ii. The form will add the standard premium and aircraft seat surcharge (if applicable) to calculate the subtotal premium.
    - iii. The form will calculate the premium discount using the schedules below and will update the premium discount field on the form based on the quarter selected in step 1 of the instructions for page 1. Refer to the Premium Discount tab in the form to see the calculations.
    - iv. The form will subtract the premium discount from the subtotal premium to calculate the net premium.

**For reporting periods *on or after* July 1, 2022, the following premium discount schedule is applied, which is unchanged from last year's bulletin:**

<b>Discount Rate</b>	<b>Cutoff Point</b>
0.0%	First \$5,000
9.5%	Next \$90,000
11.9%	Next \$405,000
12.4%	Over \$500,000

The form will populate the WCD assessment rate<sup>5</sup> based on the quarter selected in step 1 of the instructions for page 1. The assessment rate will be multiplied by the net premium to calculate the assessment payable.

- v. Proceed to step 3.

-or-

<sup>4</sup> Base rates are changed each fiscal year by bulletin. Use only the rates listed in the bulletin in effect for the quarter being reported.

<sup>5</sup> WCD assessment rates are published annually in Bulletin 367. Use only the rate listed in the bulletin that is in effect for the quarter being reported.

**B. If completing Form 900 (retrospective rating plan):**

- i. The form will multiply the standard premium by 80 percent and then by the WCD assessment rate<sup>5</sup> to calculate the assessment payable. The WCD assessment rate is determined by the quarter selected in step 1 of the instructions for page 1.
  - ii. If reporting payroll for class 7421 (Flight Crew Members) **for quarters prior to July 1, 2022**, enter the number of passenger seats (not to exceed 10) for each aircraft operated. The form will multiply the number of seats by \$25.00 and then by the WCD assessment rate to calculate the aircraft seat surcharge. If class 7421 is not assigned, leave field blank.
  - iii. The form will add the assessment payable to the aircraft seat surcharge (if applicable) to calculate subtotal assessment payable.
  - iv. Proceed to step 3.
3. If DCBS has advised a debit balance is due for premium assessments, including retrospective rating valuation adjustments, enter this figure on the debit balance forward per DCBS. **Do not include civil penalty payments with this report.**
4. If DCBS has advised a credit balance is available for premium assessments, enter the amount of credit to be applied in the appropriate fields in the credit balance calculation column and in the payment column. The form will subtract the credit to be applied from total credit balance to calculate new credit balance.
5. The form will subtotal the assessment payable, add any adjustment due and subtract any credit to be applied to calculate the total payment due.
6. Complete the certification lines by dating, signing, and printing name, title, email address, phone number, and fax number. The information provided in the contact section will be used if there are issues or questions about the report.
7. Return the form with payment in full no later than the due date listed below:

<b>Quarter Ending</b>	<b>Due Date</b>
Sept. 30	Oct. 31
Dec. 31	Jan. 31
March 31	April 30
June 30	July 31

If the due date falls on a Saturday, Sunday, or a legal holiday, the report and payment must be delivered or postmarked no later than the first business day following the due date. The director may assess a civil penalty for late payment or reports. Additionally, a self-insured employer's self-insurance certification may be revoked for failure to pay the quarterly premium assessment.

For assistance with reporting and paying your assessment, contact the assessment analyst by phone, 503-378-2372; fax, 503-378-3134; or email, [WC.PremiumAssessments@dcbs.oregon.gov](mailto:WC.PremiumAssessments@dcbs.oregon.gov).

File either Form 900 or 937, and the premium assessment payment, with the Department of Consumer and Business Services, Central Services Division (DCBS-CSD), by mail, P.O Box 14610, Salem, Oregon 97309-0445, or by hand delivery to 350 Winter Street NE Salem, Oregon 97301.

**Please use the interactive on-line form or forms attached to this bulletin to ensure the information is complete. Access the forms at [www.wcd.oregon.gov](http://www.wcd.oregon.gov), select "Forms and bulletins" from the banner at the top of the main page, and use the forms associated with Bulletin 388.**