



Oregon

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Workers' Benefit Fund Assessment Rate

Testimony of DCBS Director Cameron Smith

**Exhibit
"2"**

September 19, 2019

The Workers' Benefit Fund (WBF) assessment provides benefit increases to permanently disabled workers and to families of workers who died from a workplace injury or disease. These cost-of-living adjustments are made to reflect improvements to benefits and changes in average wages.

The WBF also supports Oregon's highly successful programs to help injured workers return to work sooner and earn their pre-injury wages. These programs offer financial assistance to employers that hire injured workers, such as wage subsidies, premium exemptions, and reimbursements for worksite modifications and equipment. These programs help keep Oregon's workers' compensation costs low.

The fund's revenue comes from a cents-per-hour-worked assessment. Employers and workers each pay half of the assessment. The assessment is paid directly to Oregon's Employment and Revenue departments through quarterly payroll tax reports, and the revenue is transferred to DCBS.

For 2020, our analysts recommend lowering the assessment from 2.4 cents per hour worked in 2019 to 2.2 cents per hour worked in 2020. The WBF is healthy, made so by a growing economy, which positively affects the assessment because it's based on hours worked. This allows the rate to be reduced in 2020.

The department will accept public comment on this issue until 11:55 p.m. on Thursday, Sept. 26, 2019.

More details about the 2020 assessment can be found in the staff recommendation memos, which will be entered into the record of this hearing. More details about workers' compensation costs in 2020 can be found on our website at <https://www.oregon.gov/dCBS/cost/Pages/index.aspx>.