

Covid-19 and Workers' Compensation

UPDATE

As if Workers' Compensation wasn't complex enough already, the COVID-19 crisis has created a whole new level of complexity.

Below are some frequently asked questions we have received on the impact of COVID-19 on Workers' Compensation:

My business has temporarily laid-off/furloughed employees, although we are still paying them. How will this impact my Workers' Compensation premium?

The National Council on Compensation Insurance (NCCI) filed new rules on April 23 allowing for the exclusion of monies you pay your employees not to work. This filing has been sent to the states but has not yet been approved. While we anticipate full approval, this information could change.

Important notes:

- 1) To exclude this pay from your premium, you must keep "separate, accurate, and verifiable records" to provide the insurance company auditor when your policy expires.

Without these records, the insurance company will have to include the pay in your premium calculation.

- 2) This rule is only applicable when an employee is not performing ANY duties for you. If the worker

is performing tasks in service of the employer, the payroll will be reported to the appropriate classification and premium will be charged appropriately.

- 3) This rule will be effective retroactively to March 1, 2020. It will expire on December 31, 2020 though this date may be adjusted as circumstances warrant.
- 4) This rule includes paid sick leave or paid FMLA approved by congressional action in response to the crisis.

My employees are now working from home. Can their Workers' Compensation Class Code assignment change?

The answer to this question will depend on the specific circumstances of each situation. If the employee was already classified in 8810 (Clerical Office), their classification would change to 8871 (Clerical Telecommuter).

In order for other employees to qualify for a change in classification, their job must also change.



For example: You operate a manufacturing facility and have an employee who programs CNC machines for your manufacturing process. Their job consisted of not only writing programs but inspecting parts to ensure the program is working correctly.

As a result of the crisis, this employee is now writing programs. This employee can have their payroll re-classified into 8871 because they are currently doing a purely clerical job,

with no exposure to the manufacturing shop.

Some classifications include clerical employees in their definition. In these cases, reclassifying employees who are now working from home would not be allowed.

It's critical you discuss your specific situation with a Certified WorkComp Advisor to find the correct answer for your business.



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