

Workers' Benefit Fund (WBF) Assessment

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Background

Employers who maintain workers' compensation insurance for themselves and/or their workers 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 State of Oregon does not collect insurance premiums, and insurance premiums do not fund State of Oregon programs or services.
- **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 remit it to the State. Premium assessments fund administrative costs of the State's workers' compensation system, non-complying employer claims, a portion of OR-OSHA administrative costs, and other related programs.
- **The Workers' Benefit Fund (WBF) assessment** — this is a payroll assessment calculated on the basis of hours worked by all paid workers, owners, and officers covered by workers' compensation insurance in Oregon, and by all workers subject to Oregon's Workers' Compensation Laws (whether or not covered by workers' compensation insurance). Employers report and pay the WBF assessment directly to the State with other state payroll taxes. The WBF assessment funds State programs that directly benefit injured workers and the employers who help make it possible for them to return to the workforce.

This information sheet addresses only the Workers' Benefit Fund assessment.

1. *What is the Workers' Benefit Fund (WBF) assessment?*

The WBF assessment is a payroll assessment that employers of Oregon workers have paid since 1966. From 1966 to 1994, subject Oregon employers paid this assessment (then commonly referred to as the "cents-per-day tax"), along with their workers' compensation insurance premiums, to their insurance carrier. The insurer then forwarded the assessment money (not the premiums) to the State.

Then in 1995, the way in which employers report and pay this assessment changed. Instead of paying this assessment to the State through their insurance carrier, employers began to report and pay the WBF assessment directly to the State (along with state withholding taxes, unemployment insurance taxes, and certain transit taxes) through the Combined Payroll Tax Reporting System. Employers report electronically through the internet or on CD (using OTTER software); over the internet (using web-based SETRON); or by hard copy using a *Form OQ* or *Form OA Domestic*. Employers pay electronically using the Department of Revenue's electronic funds transfer (EFT) program, or by check and a *Form OTC* (payment coupon).

Note: The Oregon Employment Department is in the process of developing an on-line reporting system ("Oregon Payroll Reporting System") that will replace OTTER and SETRON as early as mid-2013. Check for updates at www.oregon.gov/employ/tax/pages/OPRShome.aspx.

2. *Why am I paying this assessment?*

The WBF assessment pays for programs that accomplish the following:

- Pay monthly cost-of-living increase (inflation) payments to permanently and totally disabled workers and to the spouses and children of workers deceased as the result of an occupational injury or disease

- Encourage the employment and reemployment of previously injured or handicapped workers
- Offer Oregon employers monetary incentives to hire or rehire Oregon injured workers

More information about programs funded by the Workers' Benefit Fund is available at <http://www.oregon.gov/DCBS/FABS/Pages/wbf.aspx> or by calling 1-800-445-3948 or 503-947-7588.

Subjectivity

3. *Who is subject to the WBF assessment?*

Generally, an employer must report and pay the WBF assessment for all persons on its payroll that are or legally should be covered by workers' compensation insurance in Oregon.

This includes all employers with workers subject to Oregon's Workers' Compensation Laws (ORS Chapter 656). Each such employer is required to report and pay the WBF assessment. Whether or not the employer provides the required workers' compensation insurance coverage, the employer is liable for reporting and paying the WBF assessment for all workers for whom Oregon law requires such coverage. (In other words, being a "non-complying employer" does not relieve the employer's WBF assessment reporting liability.)

In addition, any employer of individuals that perform personal support work that is eligible for workers' compensation insurance coverage under HB 3618 (2010) are required to report and pay the WBF assessment. Independent contractors (in effect, both employer and worker) that perform personal support work eligible for workers' compensation insurance under HB 3618 are responsible to report and pay both halves of the WBF assessment.

Also, if Oregon law does not require workers' compensation insurance but the employer chooses to provide coverage, the employer must report and pay the WBF assessment for all persons (including owners, officers, and non-subject workers) who are covered by the workers' compensation insurance. Electing to provide coverage to persons for whom coverage is not required by Oregon law ("personal election") triggers the employer's liability to report and pay the WBF assessment for each covered person.

Exception: Employers do not need to report hours worked by volunteer workers or pay the WBF assessment for them, even if they are covered by the employer's workers' compensation insurance policy. "Volunteer workers" are workers who do not receive money or receive only nonmonetary compensation for services rendered.

Employers who have both paid and volunteer workers covered by their workers' compensation insurance policy need to report only the hours worked by paid employees and pay the assessment based only on those hours. Employers who have no paid employees or who have only volunteer workers, but who maintain active workers' compensation insurance coverage, may either complete a Corrections and Changes Notification form (http://www.oregonwcd.org/policy/bulletins/211_158.pdf) to be exempted from reporting, or file a quarterly *Form OQ* to report "0" hours worked and "0" assessment due. Both options prevent receipt of "Failure to File" notices and possible penalties.

4. *Who is exempt from reporting and paying the WBF assessment?*

Employers who are not required by Oregon law to have workers' compensation insurance, who are not nor have workers who are provided with workers' compensation insurance under HB 3618

(2010), and who do not elect to maintain workers' compensation insurance coverage for themselves or their paid workers are exempt from reporting and paying the WBF assessment. Among workers exempt from the coverage requirement are casual labor workers when the total labor cost never exceeds \$500 in a 30-day period; partners who are also the business's only workers; certain corporate officers; volunteers; and workers specifically listed as exempt under ORS 656.027.

With the exception of volunteers (who are never required to report and pay the WBF assessment even if covered by workers' compensation insurance), if an employer elects to provide workers' compensation insurance coverage for any of the otherwise exempted workers referenced above, the employer must report and pay the WBF assessment for all such covered workers.

You can call toll free 1-888-877-5670 and speak with a compliance specialist to clarify whether a worker is subject to Oregon's workers' compensation law and the WBF assessment.

5. *Is the employer of a "preferred worker" (i.e. an injured worker that has qualified to participate in Oregon's Preferred Worker Program) required to report and pay the Workers' Benefit Fund (WBF) assessment for that preferred worker?*

Yes. ORS 656.622(10) and OAR 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 is required to comply with the WBF assessment reporting and payment requirements of OAR 436-070 for preferred workers as well as other subject workers.

6. *Who is responsible for reporting and paying the WBF assessment for workers in a wrap-up project?*

A wrap-up project is usually a large construction project where 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 individual employer continues to have responsibility to report and pay its WBF assessment. In other words, although all contractors that are 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 workers covered by that insurance.

Assessment Rate

7. *What is the WBF assessment rate for 2013?*

Note: The WBF assessment rate that you use in 2013 depends on whether you report the WBF assessment quarterly or annually.

For employers that report the WBF assessment quarterly, there is a change to the WBF assessment rate that does not go into effect until April 1, 2013.

- The WBF assessment rate for first quarter 2013 (January – March) remains at 2.8 cents per hour, which is the same as the 2007-2012 rate.

- Effective April 1, 2013, the Department of Consumer & Business Services has set the WBF assessment rate at 3.3 cents per hour. The 3.3 cents-per-hour rate should be used to calculate the WBF assessment for hours paid in second quarter 2013 through the remainder of the calendar year.

For agricultural and domestic employers that report the WBF assessment annually, the WBF assessment rate is 3.2 cents per hour for all of 2013.

The WBF assessment 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. (See Item #3 “Exception” above for policy regarding non-paid/volunteer workers.)

Introducing two rates for quarterly reporters in 2013 complies with the statutory requirement that DCBS maintain a fund balance sufficient to provide uninterrupted benefits and services to insured workers despite revenue fluctuations that have occurred due to uncertain economic conditions.

To accommodate the logistics of annual reporting, DCBS has determined that applying 3.2 cents per hour for the full 2013 calendar year is essentially the same as 2.8 cents per hour for the first quarter and 3.3 cents per hour for the remainder of the year. These rates will fully fund the benefit programs for calendar year 2013.

The 2.8 and 3.3 cents-per-hour rates for quarterly reporters and 3.2 cents-per-hour rate for annual reporters are the employer rate and worker rate combined. Employers contribute not less than half of the hourly assessment (1.4, 1.65, and 1.6 cents per hour respectively), and deduct not more than half from the worker’s wages. If it is difficult to split the 3.3 cents per hour (1.65/1.65), the employer may contribute 1.7 cents per hour and deduct 1.6 cents per hour from workers’ wages. In no case may an employer deduct more than half of the assessment from the worker’s wages and, in all cases, the employer is responsible for payment of the full 2.8 and 3.3 cents-per-hour assessment for quarterly reporters and 3.2 cents-per-hour assessment for annual reporters.

8. How is the assessment rate determined?

The WBF assessment rate may be adjusted as needed by the Department of Consumer & Business Services 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 and mails a rate notice to employers and payroll service providers in advance of any change to the rate. You may also call (503) 378-2372 for a copy or view the notice on-line at <http://www.oregon.gov/DCBS/Pages/premium.aspx>.

Calendar Year	WBF Assessment Rate	Employer’s Portion	Worker’s Portion
Quarterly Reporters:			
2013 1 st quarter	2.8 cents per hour	1.4 cents per hour	1.4 cents per hour
2 nd – 4 th quarters	3.3 cents per hour	1.65 cents per hour	1.65 cents per hour
Annual Reporters:			
2013	3.2 cents per hour	1.6 cents per hour	1.6 cents per hour
2012	2.8 cents per hour	1.4 cents per hour	1.4 cents per hour
2011	2.8 cents per hour	1.4 cents per hour	1.4 cents per hour
2010	2.8 cents per hour	1.4 cents per hour	1.4 cents per hour

Determining Hours Worked

9. What is the definition of hours worked?

An hour worked is an hour in which the covered (or not covered but subject) worker, owner, or officer is engaged in a work activity. The WBF assessment is based on hours or parts of hours worked. (See below for how to treat partial hours worked.)

10. How are hours calculated?

Employers who track actual hours worked (including "overtime" hours) must use those records to determine actual hours and parts of an hour worked.

Not all employers of individuals who are salaried, paid on commission, paid "by the piece," or who work on an honor system, track actual hours worked and are not required to do so exclusively for purposes of calculating the WBF assessment. If hours are not tracked, choose the method that ensures the most reasonable estimate of hours worked:

- Employers who have information available showing hours worked, such as a contract, should use this information to determine or reasonably estimate hours worked.
- Employers who estimate hours worked using a flat-rate calculation should use 173.33 hours per month, 40 hours per week, or 8 hours per day (prorated for part-time).

If any method other than actual tracking or the flat-rate calculation without adjustment is used to determine a reasonable estimate of hours worked, the employer must document the method used in case of an audit.

11. Are overtime, leave (vacation, sick leave, paid time off, and holiday), training, orientation, standby, or on-call time hours included as hours worked?

It depends.

If all actual hours worked are tracked:

- Include overtime hours.
- Do not include leave hours.
- If the individual is required by the employer to attend, include hours attending orientation or training.
- Do not include on-call or standby hours.

If no tracking system is available to track all actual hours worked, use the flat-rate calculation with no adjustment for overtime, leave, training, orientation, on-call or standby hours.

12. Workers work part-time. How are hours worked calculated?

Either track actual hours worked or, only if hours are not tracked, use the appropriate fraction of the appropriate flat rate to calculate hours worked. For example, for half-time workers paid weekly or biweekly, use a flat rate of half of 40 hours per week to calculate hours worked. For half-time workers paid monthly or semi-monthly, use half or one-quarter of 173.33 hours per month as a flat calculation. Document the calculation method.

13. Employer has both part-time and full-time workers. Can the flat rate be used for the full-time workers and actual hours tracked for the part-time employees?

IMPORTANT! The flat rate may **not** be used for anybody, full- or part-time, whose hours are tracked. However, the employer is not required to use same method for everybody. For example, if

hours are not tracked for full-time workers but are tracked for part-time workers, use the flat rate for full-time workers and the actual hours tracked for part-time workers.

14. Employer has monthly salaried employees working overtime. Must hours be tracked or may the flat rate be used?

The flat rate should be used if the employer does not track and has no way to estimate reasonably the overtime hours worked. Nothing in the law or administrative rules requires employers to track hours exclusively for the purpose of calculating the WBF assessment. However, whatever method is used to calculate workers' withholdings must also be used for the employer's contributions and vice versa.

15. Workers are paid a biweekly salary. Workers track their hours, but report them to the employer subsequent to each pay period. (In other words, the employer pays ahead.) Where hours are tracked but reported after pay, can the flat rate be used to calculate the assessment or must the tracking method be used?

If an employer is paying by the hour before timesheets are collected, payment must be calculated on base hours worked, with adjustments for overtime or leave time made in the subsequent pay period. The assessment can be calculated the same way. The assessment may be based on the base hours assumed worked during a pay period, and any adjustment to actual hours worked may be used to calculate the assessment in the following pay period.

Calculating the Assessment

16. What is a pay period?

The assessment is based on hours or parts of an hour worked in a pay period. Use the same pay period used to calculate the workers' state and federal withholding tax. Whatever pay period is used to compute the workers' withholding must be used to calculate the WBF assessment.

17. At the change of a calendar year, what assessment rate is used for payroll earned in the last quarter of one year, but not paid until the first quarter of the next year?

Use the assessment rate that applies to the period in which the payroll is paid, not earned. For example, the assessment rate changed from .030 for 2006 to .028 for 2007. For payroll earned in December 2006, but not paid until January 2007, the assessment rate used is that which is in effect when the payroll is paid (.028).

Similarly, for payroll earned in March 2013, but not paid until April 2013, the assessment rate used by quarterly reporters is that which is in effect when the payroll is paid (.033).

18. How are fractions of an hour treated when calculating the assessment portion to be deducted from an individual worker's wages?

Do not round fractions of hours worked when calculating an individual worker's portion of the WBF assessment. For example, if a worker works 37.5 hours in a pay period, multiply the worker portion of the assessment rate by 37.5 hours.

19. How are fractions of a cent treated when calculating the assessment portion to be deducted from an individual worker's wages?

Employers have limited discretion in how to round fractions of a cent when calculating an individual worker's portion of the WBF assessment.

- When the assessment rate is evenly divisible between its employer and worker portions (e.g. .028 cents per hour, which can be divided evenly into .014 cents-per-hour employer and worker portions), rounding the portions is not an issue. However, the assessment rate that goes into effect for quarterly reporters on April 1, 2013, is not evenly divisible by two (i.e. .033 cents per hour divided by 2 equals .0165 cents per hour). In this case, the employer may choose how to split the rate into its employer and worker portions. The .033 rate may be equally divided between the employer and worker (.0165 cents per hour each), or rounded up for the employer portion (to .017 cents per hour) and down for the worker portion (.016 cents per hour). In no case may the worker portion be rounded to contribute more than half of the assessment rate.
- In the product of “hours worked” multiplied by “the assessment rate”, fractions of a cent may be rounded when calculating an individual worker’s portion of the WBF assessment. For example, for a worker who worked 37.5 hours in a pay period, $37.5 \times .028 = \$1.05$. Half of \$1.05 is .525. Because not more than half may be collected from the worker’s wages, the worker portion will be rounded down to \$.52.

20. How are fractions of an hour treated when summing the total of all workers’ hours worked for purposes of reporting and paying the WBF assessment?

When completing the reporting form (*Form OQ* or *Form OA Domestic*), round the sum of all workers’ hours down to the nearest whole cent.

21. How are fractions of a cent treated when multiplying the sum of all workers’ hours worked by the assessment rate for purposes of reporting and paying the WBF assessment?

When completing the reporting form (*Form OQ* or *Form OA Domestic*), round the total amount due (the product of all workers’ hours multiplied by the assessment rate) down to the nearest whole cent.

22. May the employer pay the worker’s half of the WBF assessment?

The law provides that 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 workers so long as the employer collects no more than half of the assessment from the worker.

23. Is the WBF assessment deducted from the worker’s wages before or after taxes?

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

24. Does the Department of Revenue consider it a taxable benefit if an employer pays the workers’ half of the WBF assessment?

Yes. The law provides that the employer shall deduct half of the WBF assessment from the workers’ wages. Therefore, if the employer pays the worker’s portion, the Department of Revenue considers this is a taxable benefit to the worker.

The Department of Revenue uses the following example: A worker’s gross taxable wage is \$1,000, and the worker portion of the WBF assessment is \$3. If the employer chooses to pay the total assessment, the worker’s taxable gross wage is increased to \$1,003. If the worker 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, (503) 945-8091.

25. Does the Department of Revenue require employers to report WBF assessment withholdings on

the form W2?

Normally, the employee portion of the WBF assessment withheld from the employee's paycheck is not included on the form W2 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 W2 as a taxable fringe benefit.

Reporting

Employers report and pay the WBF assessment (not workers' compensation insurance premiums) directly to the state.

- Employers who are subject to quarterly reporting of state withholding taxes, unemployment insurance taxes and/or TriMet or Lane Transit District (LTD) taxes report their WBF assessment quarterly with these other payroll taxes on the *Oregon Quarterly Tax Report (Form OQ)* or its electronic equivalent.
- Employers who are subject only to the WBF assessment report quarterly, and complete only the WBF Assessment portion of the *Oregon Quarterly Tax Report (Form OQ)* or its electronic equivalent.
- Agricultural employers who report state withholding taxes annually using the *Oregon Agricultural Annual Withholding Tax Return (Form WA)*, and are not subject to unemployment insurance taxes or TriMet or LTD transit taxes, report their WBF assessment annually, and complete only the WBF Assessment portion of the *Oregon Quarterly Tax Report (Form OQ (Annual))*.
- Employers of domestic workers who report state payroll taxes annually report their WBF assessment annually with the other payroll taxes on the *Oregon Annual Report (Form OA Domestic)*.

Employers that report quarterly are encouraged to consider electronic reporting. The Oregon Employment Department is in the process of developing an on-line reporting system that will replace Oregon Tax Employer Reporting (OTTER) and Secure Employer Tax Reporting (SETRON). Check for updates at www.oregon.gov/employ/tax/pages/OPRShome.aspx.

To pay the WBF assessment, employers have two options. You may pay by check or electronically. If you pay by check, you may write a single check for the total amount of all state payroll taxes due, including the WBF assessment (not workers' compensation insurance premiums).

To ensure allocation to the correct state payroll tax programs, you must accompany each check with a completed *Oregon Combined Tax Payment Coupon (Form OTC)* to itemize how you want your payment allocated. The scan line on each *Form OTC* contains personalized coding, so it is important to ensure that you use the correct *Form OTC* for your business and the correct year. Never alter the pre-printed text or scan line on *Form OTC*. If you need coupons, or the information on the coupons updated, contact the Department of Revenue at 503-945-8091 or 503-378-4988.

To pay state payroll taxes (including the WBF assessment) electronically, use the Oregon Department of Revenue's electronic funds transfer (EFT) program. This program allows you to make payments using a touch-tone telephone, secure Internet site, or through your financial institution, but you must first have an authorization agreement filed with the Department of

Revenue before initiating EFT payments.

Information and authorization agreements are available by calling 503-947-2017 or on the Internet at <http://www.oregon.gov/DOR/Pages/index.aspx>. The combined reporting and payment of WBF assessments with the reporting and payment of income tax withholdings, unemployment taxes and certain transit taxes is intended to streamline record keeping and reporting requirements for employers.

26. *Must employers who maintain active workers' compensation coverage but who have no subject workers file a report?*

It depends. Employers must report the hours worked by every paid individual covered by their workers' compensation insurance. In addition to subject workers, this includes any workers, 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" a worker 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 Corrections and Changes Notification form (http://www.oregonwcd.org/policy/bulletins/211_158.pdf) to report this status. The Department of Consumer and Business Services (DCBS) will verify the information on the form and grant the employer an exemption from filing "0" reports. However, as soon as any paid individual is covered by the workers' compensation insurance, the employer must contact the Workers' Compensation Assessments Section of DCBS to reinstate reporting liability.

27. *How do employers report the employer's portion of the WBF assessment on the Form OTC when other taxes calculated on the Form OTC are based on worker payroll?*

The employer and worker portions of the WBF assessment are calculated together and reported in the "Workers' Benefit Fund Assessment" box on *Form OTC*; the payment must accompany *Form OTC*. The "Total Payment" reported on *Form OTC* and the actual payment remitted must be the same.

28. *Must employers pay if the WBF assessment owed is less than one dollar?*

Even when the calculated WBF assessment owed is less than \$1.00, employers must report the hours worked and assessment owed on *Form OQ* to avoid "failure to file" penalties. However, employers are not required to accompany their report with a payment less than one dollar.

29. *May employers pay the WBF assessment at the same time they pay their monthly withholding taxes?*

Yes. Employers are encouraged to pay their WBF assessment only when completing their quarterly report; however, if an employer who participates in the combined payroll system chooses to remit payments more often, they will be accepted.

30. *May employers who process payroll taxes and workers' compensation-related payments out of separate units submit more than one Form OQ per quarter (one for the WBF assessment and one for all other payroll taxes)?*

No. The law combines the reporting and payment of all payroll taxes, including the WBF assessment. For employers who participate in the combined reporting system, only one *Form OQ* may be submitted. If two *Form OQs* were to be received independently of one another, each would

appear to be incomplete. Accomplishing combined reporting is the employer's responsibility.

Amending Forms

31. How do employers correct reporting errors on Form OQ or Form OA Domestic?

If you discover that you under-reported or over-reported hours or assessment on a previously filed report, do not adjust for that error on the current quarter's form. You have 2 options for correcting these errors.

An "Amended OQ/OA" form is available to make amending reports easier and more accurate. Go to http://oregon.gov/EMPLOY/TAX/docs/OQ_Amend.pdf to download the Interactive form. On this form, under the "Workers' Benefit Fund (WBF)" heading, complete the "Original Amount" column as originally reported (Whole Hours Worked, WBF Assessment Rate, and Total Assessment Due). Use the "Net Change" column if you need to correct hours worked, and the "Correct Amount" column to correct the WBF assessment rate. This form can also be used to amend State Withholding, TriMet Transit District, Lane Transit District, and Unemployment Insurance taxes. In the box labeled "Reason for Amending", briefly explain why you are amending your report.

Print out and mail to:

Oregon Department of Revenue
P.O. Box 14800
Salem, OR 97309-0920

OR

Make a photocopy of the incorrectly completed form. On the photocopy, write "AMENDED" at the top and mark the adjustments needed. **Do not use red ink.** Write a brief explanation of why you are amending your report.

Mail to:

Oregon Department of Revenue
P.O. Box 14800
Salem, OR 97309-0920

32. How do employers correct errors on reports filed using OTTER?

Make any necessary corrections to the original report on the disk using the appropriate program. **Print a paper copy** of the corrected report, write "AMENDED" at the top, and write a brief explanation of why you are amending your report. **Do not use red ink, and do not send your corrected report electronically.** Mail the paper copy of your corrected report.

OR

Use the "Amended OQ/OA" (See #31 above). Make sure to update the previously filled Otter quarter(s). This will update your database so that future reports will show the correct information.

Mail to:

Oregon Department of Revenue
P.O. Box 14800
Salem, OR 97309-0920

33. 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(6), the Department of Consumer and Business Services cannot initiate or accept adjustments to resolve errors, omissions, or discrepancies in WBF assessment reports or payments for any quarter that pre-dates the current calendar year and three preceding years. This excludes quarters already in audit, but not yet resolved at the change of a calendar year.

WBF assessment reports cannot be amended to reduce the WBF assessment on any quarter, including quarters during the current calendar year and three preceding years, which has been audited and resolved by Order of Default. Once a quarter's assessment has been made final by Order of Default, the Department of Consumer and Business Services will not accept adjustments to reduce that assessment.

Credit Transfer or Refund

34. How do employers request transfers of WBF assessment payments that have been incorrectly applied?

Do not use *Form OQ* to request that credits be transferred between tax programs. If you have a credit on your WBF assessment account that needs to be transferred to another state payroll tax program collected through the Combined Payroll Tax Reporting System (state withholding tax, Unemployment Insurance tax, or TriMet or Lane Transit District excise tax), you need to write or fax a request for a transfer and include the following information:

1. Account name
2. Business Identification Number (BIN)
3. The quarter and year and name of the tax program on which the credit exists
4. The quarter and year and name of the tax program to which you want the credit applied
5. Amount to be transferred
6. Contact name and position
7. Contact phone number

Also include a copy of any notice or memo that you received regarding the credit. Send your written request to:

DCBS, Fiscal and Business Services
WBF Assessment Section

P.O. Box 14480
Salem, OR 97309-0405
Fax: (503) 378-3134

35. How do employers request a refund of an overpaid WBF assessment?

If you have a credit on your WBF assessment account that you want refunded, mail or fax a request for a refund that includes the following information:

1. Account name
2. Business Identification Number (BIN)
3. The word "REFUND"

4. Amount to be refunded
5. Contact name and position
6. Contact phone number

Also include a copy of any notice or memo that you received regarding the credit. Send your written request to:

DCBS, Fiscal and Business Services
WBF Assessment Section
P.O. Box 14480
Salem, OR 97309-0405
Fax: (503) 378-3134

WC Insurance Coverage

36. Does this assessment provide workers' compensation insurance coverage for my employees?

No. Payment of the WBF assessment does not provide employers with workers' compensation insurance coverage. WBF assessment revenue is used by the Department of Consumer & Business Services to pay certain claims-related costs such as reemployment assistance and retroactive benefit adjustments. (Information about programs funded by the Workers' Benefit Fund is found at <http://www.oregon.gov/DCBS/FABS/Pages/wbf.aspx>)

By law, virtually all employers must obtain workers' compensation insurance coverage before they employ any workers. Coverage can be obtained from any commercial insurance company qualified to write workers' compensation insurance in Oregon or from SAIF Corporation. Employers may also apply to the Workers' Compensation Division of the Department of Consumer & Business Services to become self-insured. Failing to provide workers' compensation insurance coverage subjects employers to penalties and liability for all claim costs if a worker is injured on the job. Information on how to obtain coverage is found at http://www.oregon.gov/DCBS/SBO/Pages/how_to.aspx.

37. How do self-insured employers report the WBF assessment?

Self-insured employers report and pay in the same way other subject employers report and pay the assessment, using the *Form OQ* and *Form OTC*. Self-insured employers continue to report and pay their premium assessment directly to the Department of Consumer & Business Services. (See DCBS Bulletin No. 365 dated May 21, 2012, regarding "Instructions for Payroll and Premium Assessment Quarterly Report". Bulletin No. 365 can be reviewed on-line at http://www.cbs.state.or.us/wcd/policy/bulletins/ab_index.html).

Closing Your Account

38. How do employers close their WBF assessment account?

Employers' liability for reporting the WBF assessment ceases effective the date that they cancel their workers' compensation insurance policy because they are no longer in business or no longer have subject workers. As soon as the employer's workers' compensation insurance carrier notifies the Department of Consumer and Business Services Workers' Compensation Division of the canceled coverage, the employer's WBF assessment account is closed.

An exception is when an employer cancels or fails to obtain coverage but remains in business according to payroll tax records maintained by Department of Revenue or Employment Department. DCBS presumes that the employer is liable for reporting the WBF assessment until the Workers' Compensation Division verifies that the employer has no workers that are subject to Workers' Compensation Laws.

When employers change ownership, discontinue business, or cease to employ workers, at the same time that they contact their workers' compensation insurer with the corrected information they may expedite the updating or closure of their WBF assessment account. To notify the Workers' Compensation Division directly of the change or closure, employers may use the Corrections and Changes Notification form (http://www.oregonwcd.org/policy/bulletins/211_158.pdf).

Note: Having an active workers' compensation insurance policy triggers two types of liability: claims liability (the insurance company's liability to address claims filed by covered workers) and assessment-reporting liability (the employer's liability to report and pay the WBF assessment). Only an employer's workers' compensation insurer can change or terminate claims liability. Completing the Corrections and Changes Notification form (http://www.oregonwcd.org/policy/bulletins/211_158.pdf) will expedite updating or closing the WBF assessment account for reporting purposes, but your insurance coverage and claims liability remain unchanged and in effect until your insurer notifies the Workers' Compensation Division directly.

The Corrections and Changes Notification form is available at the following link http://www.oregonwcd.org/policy/bulletins/211_158.pdf or <http://www.oregon.gov/DCBS/FABS/Pages/wbf.aspx> or may be obtained by calling (503) 378-2372. Completion and mailing instructions are on the form.

Additional Questions

If you have questions regarding employer or worker subjectivity to the WBF assessment, please contact the Workers' Compensation Division of the Department of Consumer & Business Services:

VOICE/TTY: (503) 947-7815

Toll free: 1 (888) 877-5670

Internet: http://www.cbs.state.or.us/wcd/communications/emp_info.html

E-mail: wcd.employerinfo@state.or.us

If you have additional questions regarding the collection and reporting of WBF assessments, please contact Fiscal and Business Services at the Department of Consumer & Business Services:

VOICE/TTY# (503) 378-2372

Internet: <http://www.oregon.gov/DCBS/FABS/Pages/wbf.aspx>

E-mail: wbfassess.fabs@cbs.state.or.us