



**Bureau of Workers'  
Compensation**

30W. Spring St.  
Columbus, OH 43215-2256

Governor **John R. Kasich**  
Administrator/CEO **Stephen Buehrer**

www.bwc.ohio.gov  
1-800-644-6292

June 16, 2014

[Employer name]  
[Street address]  
[City, State ZIP]

RE: BWC's transition to prospective billing; PEO impact

Dear Employer:

You are receiving this letter because our records indicate you are a client of a professional employer organization (PEO). The purpose of this letter is to inform you of BWC's future transition to a new billing system and how it may impact your business.

A little more than a year from now – July 2015 – we will transition from a retrospective billing system to a prospective billing system for all private, state-fund employers. This long overdue reform means most Ohio employers will no longer pay for their workers' compensation coverage after it has been provided.

To help ease this transition and to prevent "double billing" employers, we will provide an eight-month premium credit for all active (non-lapsed) private state-fund employers in July 2015. The switch to prospective billing will bring us in line with the industry standard used by nearly all insurance providers. Other benefits of these changes include an overall base-rate reduction of 2 percent; opportunities for more flexible payment options; and increased ability for us to detect non-compliance and fraud, which can provide long-term savings.

**Impact to state-fund PEOs:** State-fund PEOs will receive the transition credit and will not pay premiums to BWC for the eight-month period starting Jan. 1, 2015.

- PEOs must still report wages (but no premium will be charged) for the eight-month transition period.
- Client employers must submit a payroll report for the client-employer policy for the period of Jan. 1, 2015, through June 30, 2015. We will include the minimum premium and processing fee in the transition credit.
- Upon implementation of prospective billing, we will require PEOs to report wages and pay premiums on a monthly basis.
- The first PEO monthly premium payment following the transition period will be due Oct. 15, 2015.

**Impact to self-insured PEOs:** Self-insured PEOs and client employers that are covered under the PEO's self-insured umbrella will not be subject to the transition to prospective billing and will not receive any premium credit.

We will post updates about prospective billing on [www.bwc.ohio.gov](http://www.bwc.ohio.gov). If you have questions about how this transition credit may impact your company, we encourage you to contact your PEO. We are excited about continuing the positive changes taking place to strengthen the workers' compensation system for all Ohioans.

Sincerely,

Stephen Buehrer  
BWC Administrator/CEO