



## Covid-19 Payroll Exclusion for Workers Compensation

The Florida Office of Insurance Regulation (OIR) has approved a National Council on Compensation Insurance (NCCI) filing that excludes payments made by an employer to furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations issued due to the COVID-19 pandemic which impact an employer's staffing or business operations. However, any appropriated funds or loans received by an employer as authorized by any law, regulation, or public governmental entity that are used by an employer specifically to retain or hire working employees, are not excluded.

### What You Need to Know About the Approved Filing:

- These rules will apply beginning March 1, 2020. Any policy that was effective on 3/1/20 is covered by these rules.
- Payments to furloughed employees who are not working are to be reported under code 0012 and **EXCLUDED, provided the employer "keeps separate, accurate, and verifiable records. If separate, accurate, and verifiable records are not maintained, payroll is assigned to the classification for work normally performed by the employee..."**
- Payroll reported to code 0012 is also excluded from the Experience Mod Rating calculation.
- These rules apply until 12/31/20, but they may be amended to an earlier or later date by the Florida OIR as circumstances warrant.

### What the filing does NOT cover:

- The treatment of COVID-19 claims on the experience mod is not addressed in this filing. It solely focuses on payroll. However, there may be further action as the data for accepted COVID-19 claims is only just beginning and the experience mods those claims would impact are still months away.

The primary take-away action from this filing is: **KEEP THE RECORDS**. Absent "separate, accurate, and verifiable records" the auditor will put 100% of the payroll into the codes they normally would have assigned otherwise.

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