COVID-19 AND WORKERS’ COMPENSATION: FREQUENTLY ASKED QUESTIONS ANSWERED

In response to questions from employers and their representatives, the Department of Labor & Industries has made certain policy decisions to provide some financial relief to state fund employers from the impact of allowed COVID-19 claims. These decisions are outlined in the “Frequently Asked Questions” (FAQ) document posted here. L&I also wants you to be aware of premium reporting requirements under certain circumstances such as when a business has been closed as a result of the pandemic, yet the employer is continuing to pay their workers. And we’ve clarified that injured workers whose temporary light duty ends are entitled to time-loss compensation. If you have any questions, please contact your account manager or retrospective rating representative.

Will coronavirus (COVID-19) claims impact an employer’s experience modification factor and claim-free discount (if applicable)?

No. All losses for allowed coronavirus claims, regardless of whether the virus is contracted, will not be included in the determination of an employer’s experience modification factor. An employer will not lose their claim free discount as a result of an allowed coronavirus claim.

What will the impact to retrospective rating calculations be for losses from coronavirus claims?

It’s important that the claims included in experience factor calculation, retrospective rating adjustments, and for rating purposes align. Therefore, the losses for allowed coronavirus claims will not be included in the retro adjustment calculations.

If an employer has a worker on temporary light duty and their business is closed due to the pandemic, is the worker eligible for time-loss benefits? Will these losses be included in the employer’s experience factor?

The worker is eligible for time-loss benefits unless the employer chooses to keep them on salary. The law is clear in situations where temporary or transitional light-duty work comes to an end, regardless of the reason it’s ending. The law recognizes that these workers are restricted from being able to perform their regular employment or jobs, other than the light-duty one. Only losses for allowed coronavirus claims are being removed from the experience factor calculations.

Does an employer need to report hours when their business is closed during the pandemic, or when a worker is continuing to be paid or kept on salary but not actually working?

If an employer continues to pay a worker while their business is closed during a coronavirus quarantine, or to maintain the worker’s salary on an open claim, if the worker is not actually working the hours don’t need to be reported.

- If you have hourly workers who are continuing to be paid and not working as a result of the pandemic, you are not required to report hours and premium for the time they are not working.
- If you have salaried workers reporting actual hours worked (hourly method), continue to do so.
- If you have salaried workers and report 480 hours per quarter (salary method), you may report the actual hours they worked.

*Note: regardless of how you report, you are required to keep a record of these non-work hours in your payroll system. Please refer to [WAC 296-17-35201](https://apps.leg.wa.gov/wac/chapter/296-17/) for recordkeeping and retention.*