

EMPLOYMENT LAW SUMMARY

Ohio Workers' Compensation - Employer Responsibilities



Because You're Different

Workers' compensation is a system of no-fault insurance that provides medical benefits and monetary compensation to employees or their survivors for work-related injuries, diseases and deaths. Workers' compensation is governed by state law.

In Ohio, the Ohio Workers' Compensation Act (OWCA) outlines the benefits available under the workers' compensation system in the state. The Ohio Bureau of Workers' Compensation (BWC) administers the system and runs a state fund that provides coverage for most employers in the state.

COVERAGE REQUIREMENT

The WCA requires all Ohio employers with **at least one employee** to carry workers' compensation coverage. An employee-employer relationship usually exists if the employer controls an individual's working hours, selection of materials, traveling routes and performance reviews.

An employer acting as a subcontractor to another employer must also obtain coverage for its employees. Employers that hire subcontractors should verify that the subcontractor has coverage for its employees. Otherwise, the employer that hired the subcontractor could be liable for injuries to the subcontractor's employees.

Employers may satisfy the WCA's coverage requirement by obtaining an insurance policy from the BWC or the BWC's approval to self-insure. Employers are not allowed to deduct any portion of their workers' compensation premiums or costs from their employees' wages.

STATE INSURANCE FUND COVERAGE

To obtain insurance coverage from the BWC, an employer must submit a completed [Form U-3](#) ("Application for Ohio Workers Compensation Coverage") and a \$120 application fee. If applicable, the BWC will send an invoice for any deposit required (up to \$1,000, based on the employer's level of risk).

Approximately 30 days after receiving these, the BWC will issue a Certificate of Premium Payment that states when the employer's coverage will begin and end. The Certificate of Premium Payment will also indicate when the employer must submit a semiannual payroll report and its premium payment.

When determining an employer's premium, the workers' compensation administrator will consider two primary categories: (1) the risk associated with the employer's industry; and (2) the size of the employer's payroll.

SELF-INSURANCE COVERAGE

A self-insured employer assumes the liabilities associated with work-related conditions rather than paying premiums to have the BWC assume them. The benefits an employer may gain from self-insurance include the flexibility to administer their own workers' compensation program and the potential for claims cost savings.

To self-insure, an employer must prove it has sufficient resources to cover all its WCA obligations and obtain permission from the BWC. This process includes submitting a number of forms to the BWC, along with the following information:

- All financial records, documents and data necessary to provide a full financial disclosure including a balance sheet and a profit and loss statement for the current year and the previous four years;
- An organizational plan for the administration of the workers' compensation law;
- A proposed plan to inform employees of the change from a state-fund insurer and procedures employees must follow when filing for compensation and benefits;
- Secretary of State papers providing proof of registration to do business in Ohio; and
- Information on the employer's risk and claims-management procedures to establish a safe and more cost-effective workplace.

POSTING REQUIREMENT

Every employer must post a copy of its Certificate of Premium Payment to inform employees of its workers' compensation coverage or self-insurance status. The BWC provides updated certificates to employers annually. Employers must post these in highly visible locations within their employees' workplaces.

RECORD KEEPING AND REPORTING REQUIREMENTS

Employers must keep a record of all work-related conditions sustained by their employees. Employers must retain these records for **at least five years** after the end of the year to which they relate.

Within **one week** of having knowledge of any work-related condition that results in seven or more days of disability from work, employers must provide a completed First Report of Injury [form](#) to the BWC.

MORE INFORMATION

For more information, contact Heffernan Insurance Brokers or visit the BWC's [website](#).

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