



BWC—PROSPECTIVE BILLING

BWC is transitioning to a prospective billing system. Instead of paying insurance premiums after-the-fact, employers will make estimated payments ahead, and then file annual true-up reports with the BWC. To avoid needing a double-payment from employers, BWC is issuing transition credits to offset premiums.

BWC's fiscal year is from July through June, therefore, the change will be effective July 1, 2015. This Insider provides guidance on implementation and transition issues for private employers. Public employer should call our office for applicable information.

PAYROLL 7/1/14—12/31/14—NO CHANGE

- BWC returns will be prepared as usual in January 2015 based on actual payroll 7/1/14—12/31/14.
- Employers will pay premiums by March 2, 2015 (still have the same options for splitting into 2 payments).

PAYROLL 1/1/15—6/30/15—NO PREMIUMS DUE

- BWC returns will be prepared as usual in July 2015 based on actual payroll 1/1/15—6/30/15.
- BWC will issue a transition credit for 100% of the premiums calculated on those report. The credit will result in no payments due with the return.
- A BWC return must still be filed by August 31, 2015, with no payment due.

EFFECTIVE 7/1/15—BILLING WILL BE PROSPECTIVE

- BWC will begin estimating your future payroll and premiums based on the payroll reported in the most recent year.
- BWC will issue an invoice for the 12 month premiums prior to the start of the policy year.
- Payments to BWC will default to bi-monthly, however, employers can elect to remit monthly, quarterly, semi-annually, or annually. The deadline to elect alternative billings is July 15, 2015.
- Employers who feel their payroll will significantly change from the estimates can contact BWC and the estimates can be adjusted.

PREMIUM ESTIMATES FOR JULY AND AUGUST 2015

- This is considered to be the first installment for 2015. BWC will issue a transition credit for 100% of the amount due. The credit will result in no payments due on the first installment.

The change from paying premiums after-the-fact to paying premiums ahead should result in no double-payment of premiums.

PREMIUM ESTIMATES STARTING IN SEPTEMBER 2015 (AND OCTOBER, IF PAYING BI-MONTHLY)

- August 1, 2015—BWC will issue the Policy year 2015 premium invoice for the second installment.
- Second Installment payments will be due by August 31, 2015
- Remaining premium estimates will be remitted bi-monthly, unless employers elect a different schedule.

ANNUAL PREMIUM TRUE-UPS

- Going forward, BWC will require annual True-Up Reporting on payroll for the year ending June 30.
- The True-Ups will be submitted online or over the phone by August 15, 2016. Any additional premiums will be due at that time. Overpayment of estimates will cycle through BWC's normal refund cycle.