



March 9, 2009

Informational Circular 2009-03

To: All Members

Indiana Department of Labor, INSafe Division Tax Assessment

The [Indiana Department of Labor](#) (“DOL”) issued its notice on March 5, 2009 for the [INSafe](#) tax assessment (please see attached letter). This ICRB circular is issued to help communicate the assessment. The last assessment was levied in 2003.

The DOL letter indicates that the special fund for safety and health consultation is less than \$600,000, thus triggering the statutory tax levy. Payment is due by April 10, 2009.

The tax applies to both workers compensation carriers and self-insured employers. The tax equals 0.75% of benefits paid, excluding medical payments, in the preceding calendar year. Per statute, the tax is considered an “element of loss” and therefore the expense will be contemplated in the ICRB annual advisory rates and loss cost filing.

Sincerely,

Ronald W. Cooper, CWCP
President

Attachments:

- ✓ [Indiana Department of Labor](#) notice issued March 5, 2009
- ✓ Indiana Code § [22-8-1.1-45](#) through 48



Advancing the safety, health and prosperity of Hoosiers in the workplace.

MITCHELL E. DANIELS, Jr., GOVERNOR
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To: All Insurance Carriers and Self-Insured Employers Doing Business Under The Indiana Worker's Compensation Act

In accordance with Indiana Code 22-8-1.1-45 through 48, part of the Indiana Occupational Safety and Health Act of 1971, each insurance carrier writing worker's compensation coverage for Indiana employers and each self-insured employer is required to pay an assessment to the INSafe Division when the balance in the special dedicated fund becomes less than \$600,000 by April 1st of the year. The assessment, together with annual federal grants, is the funding source which allows INSafe, the safety and education division, to deliver services to Indiana employers, labor organizations, trade associations and Hoosier workers. INSafe services, which are free of charge to employers, include group training and seminars, on-site consultations, educational publications and training materials.

I.C. 22-8-1.1-47 states: The annual tax shall be an amount equal to three-fourths of one percent (0.75%) of the total worker's compensation benefits paid in this state by the insurance carrier and self-insured employers...during the preceding calendar year, excluding medical payments.

INSafe's dedicated fund is currently below \$600,000 dollars and will continue to be by April 1st, and so, in accordance with the attached Indiana statute, you will be assessed for the worker's compensation benefits for calendar year 2008. However, this communication is simply advising you that an official request for assessment by the Indiana Department of Labor will be issued via e-mail and letter on or around the first week of April. That payment will be due no later than **April 10, 2009** per IC 22-8-1.1-48 (c)

As this assessment has not occurred since 2003, the Indiana Department of Labor wants to send out this pre-notice now so as to ensure you have time to comply with the statute and can make a prompt payment. Your company will be responsible for calculating the assessment and we will then verify that total in July when the Indiana Compensation Rating Bureau and Workers Compensation Board have the official data for calendar year 2008. If, when we receive the validated 2008 data, there are discrepancies, you will either owe the difference or receive a refund should your company underpay or overpay an assessment.

If you have any questions or have alternative contact information that you would like us to use to send the assessment letter, please contact me via e-mail at insafeassessment@dol.in.gov.

Sean M. Keefer
Deputy Commissioner
INSafe, Indiana's OSHA Consultation Program
Indiana Department of Labor

IC 22-8-1.1

Chapter 1.1. Indiana Occupational Safety and Health Act (IOSHA)

IC 22-8-1.1-45

Safety and health consultation service for employers; tax levy

Sec. 45. If the balance in the special fund for safety and health consultation service on April 1 of each year is less than six hundred thousand dollars (\$600,000) an annual tax is imposed to finance the safety and health consultation service for employers under section 41 of this chapter. (Formerly: Acts 1971, P.L.356, SEC.1; Acts 1975, P.L.255, SEC.3.) As amended by Acts 1982, P.L.95, SEC.10; P.L.37-1985, SEC.41; P.L.34-1988, SEC.16.

IC 22-8-1.1-46

Tax; worker's compensation insurance carriers and self-insured employers

Sec. 46. The tax is imposed upon:

- (1) each insurance carrier licensed to do worker's compensation business in the state; and
- (2) each self-insured employer.

(Formerly: Acts 1971, P.L.356, SEC.1.) As amended by P.L.28-1988, SEC.70.

IC 22-8-1.1-47

Tax; amount; loss for purpose of worker's compensation insurance rates

Sec. 47. The annual tax shall be an amount equal to three-fourths of one percent (0.75%) of the total worker's compensation benefits paid in this state by the insurance carrier and self-insured employers as provided in section 46 of this chapter during the preceding calendar year, excluding medical payments. The tax shall constitute an element of loss for the purpose of establishing worker's compensation insurance rates. (Formerly: Acts 1971, P.L.356, SEC.1.) As amended by

P.L.144-1986, SEC.177; P.L.28-1988, SEC.71.

IC 22-8-1.1-48

Use of tax revenues; appropriations; payment date

Sec. 48. (a) The tax shall be paid directly to the director who shall deposit the revenues in a special fund to be used solely for safety and health consultation, education, and training services for employer groups and for onsite consultation service as provided in section 41 of this chapter. These revenues shall not be transferable to any other fund and shall not revert to the general fund at the end of any fiscal year.

(b) Tax revenues as provided for in section 47 of this chapter shall be made available to INSafe only by appropriation of the general assembly based upon the needs of INSafe as determined by the department and submitted in the form of a budget in the manner provided by law.

(c) The annual tax payment is due and payable on or before April 10 of each year in which the tax is imposed.

(Formerly: Acts 1971, P.L.356, SEC.1; Acts 1975, P.L.255, SEC.4.) As amended by Acts 1982, P.L.95, SEC.11; P.L.37-1985, SEC.42; P.L.34-1988, SEC.17; P.L.32-2008, SEC.6.