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STATE OF OKLAHOMA

WORKERS' COMPENSATION COMMISSION

1915 N. STILES
OKLAHOMA CITY, OKLAHOMA 73105-4918
(405) 522-3222

To: Workers' Compensation Payors
From: Dr. Rick Farmer
Re: NOTICE OF ASSESSMENT RATE - July 1, 2015 through June 30, 2016 -
MULTIPLE INJURY TRUST FUND ASSESSMENT *per Title 85A O.S. § 31(A)*
Date: April 29, 2015

The Multiple Injury Trust Fund (MITF) assessment rate to be charged in accordance with 85A O.S., §31 for the four-quarter period of July 1, 2015 through June 30, 2016 is six percent (6.00%) of:

- Gross direct premiums written for workers' compensation for risks located in this state (for insurance carriers);
- Normal premiums (for group self-insurance associations); or
- Actual paid losses (for individual self-insured employers).

The rate, which is cannot exceed 6.00%, was calculated using a statutory formula. The formula involves dividing the total gross direct written premium, normal premium and actual paid losses reported by workers' compensation payors for calendar year 2014 into the sum of the MITF's outstanding obligations for calendar year 2015, which is fixed by law for funding various state programs related to worker safety and workers' compensation fraud prosecution. See the calculation on Page 2.

Assessments are due on the 15th day of the month following the end of the calendar quarter and are based on the payor's premiums or losses (as applicable) during the quarter. By May 1 of each year the Workers' Compensation Commission provides notice of the assessment rate established annually, to be paid quarterly. **Quarterly reminder notices are NOT provided.**

A summary of the payment due dates and calculation of the assessment for the four-quarter period of July 1, 2015 through June 30, 2016 follows:

Payment Due October 15, 2015

For the third quarter of calendar year 2015- Assessment amount is 6.00% of premiums or losses, as applicable, for the period of July 1, 2015 through September 30, 2015.

Payment Due January 15, 2016	For the fourth quarter of calendar year 2015- Assessment amount is 6.00% of premiums or losses, as applicable, for the period of October 1, 2015 through December 31, 2015.
Payment Due April 15, 2016	For the first quarter of calendar year 2016- Assessment amount is 6.00% of premiums or losses, as applicable, for the period of January 1, 2016 through March 31, 2016.
Payment Due July 15, 2016	For the second quarter of calendar year 2016- Assessment amount is 6.00% of premiums or losses, as applicable, for the period of April 1, 2016 through June 30, 2016.

The MITF Assessment Report forms may be accessed by linking directly with the Tax Commission's web site at: http://www.ok.gov/tax/Forms_&_Publications/Forms/Workers_Compensation/.

Complete the report and mail it and your remittance by the appropriate due date to:

OKLAHOMA TAX COMMISSION
Account Maintenance Division
Special Taxes
2501 North Lincoln Boulevard
Oklahoma City, Oklahoma 73194-0004

Retain a copy of the completed report for your records. Failure to timely remit the assessment, or to notify that payment was made, may result in administrative penalties, including but not limited to, the greater of \$500 or 1% of the unpaid amount. By law, notice of each assessment payment must be given to the Oklahoma Insurance Commissioner (if you are an insurance carrier) or to the Workers' Compensation Commission Executive Director (if you are an individual Own Risk employer or Group self-insurance association). Mail notice of payment as instructed at the bottom of your Workers' Compensation Multiple Injury Trust Fund (MITF) Assessment Report form.

Direct questions about remittance of the assessment to the Oklahoma Tax Commission, Account Maintenance Division, (405) 521-3145. Direct questions about refunds and the tax rebate related to the assessment to the Oklahoma Tax Commission, Taxpayer Assistance Division, (405) 521-3160.

Direct questions about the assessment rate to andrea.bair@wcc.ok.gov or mark.bolerjack@mitf.ok.gov.

Formula = $\frac{2015 \text{ MITF Obligations} + \text{Statutory amount for safety and WC fraud}}{\text{Gross Direct Premiums} + \text{Own Risk Actual Paid Losses} + \text{Group Normal Premiums}}$ = MITF Rate not to exceed 6.00%

$$\frac{\$89,867,000 + \$2,550,000}{\$910,772,585 + \$144,830,934 + \$27,209,174} = \frac{\$92,417,000}{\$1,082,812,693} = 8.53\%, \text{ which is capped at } 6.00\%$$

REBATE INFORMATION: Title 68 O.S. Section 6101 allows parties required to pay an assessment pursuant to Title 85A to receive a rebate equal to two-thirds (2/3) of the amount of the assessment actually paid, subject to timely request and approval by the Oklahoma Tax Commission (OTC). The OTC shall accept applications for rebates from all eligible parties for assessments paid pertaining to the previous calendar year. If any party fails to apply for a rebate on or before May 31 of each year, the OTC shall reduce the amount of the rebate in the application by ten percent (10%). No rebates shall be paid until after July 1 of each year. The OTC may promulgate rules as necessary to effectuate the provisions of this act.

The rebate form is available at <http://www.ok.gov/tax/documents/WC-12.pdf>.

NOTICE

Re: Multiple Injury Trust Fund Assessment Rate

In accordance with 85A O.S. 31, the Multiple Injury Trust Fund (MITF) assessment rate to be charged for the four-quarter period of July 1, 2015 through June 30, 2016 shall be 6.00% of:

- Gross direct premiums written for workers' compensation for risks located in this state (for insurance carriers);
- Normal premiums (for group self-insurance associations); or
- Actual paid losses (for individual self-insured employers).

Assessments are due on the 15th day of the month following the end of the calendar quarter and are based on the payor's premiums or losses (as applicable) during the quarter. The assessment reporting form is available at Oklahoma Tax Commission's web site at <http://www.tax.ok.gov/wcforms.html>.

Assessment rates since the inception of the law are as follows:

Assessment Period	Rate
1/1/02 - 6/30/02	6.00%
7/1/02 - 6/30/03	6.00%
7/1/03 - 6/30/04	2.95%
7/1/04 - 6/30/05	3.63%
7/1/05 - 6/30/06	3.83%
7/1/06 - 6/30/07	3.46%
7/1/07 - 6/30/08	2.14%
7/1/08 - 6/30/09	2.50%
7/1/09 - 6/30/10	2.60%
7/1/10 - 6/30/11	2.59%
7/1/11 - 6/30/12	1.98%
7/1/12 - 6/30/13	3.39%
7/1/13 - 6/30/14	5.18%
7/1/14 - 6/30/15	6.00%
7/1/15 - 6/30/16	6.00%