

COVID-19 and Minnesota Workers' Compensation

Note: This is a **LIVE** document and subject to change as additional questions and issues arise.

1 - Treatment of furlough pay. Employees continue to be paid although they are at home and not working. Is this payroll included in the premium calculation?

Note: This answer has been revised 5-5-20.

NCCI Item B-1441 Revisions to Manual Rules Related to the COVID-19 (Coronavirus) Pandemic has been approved for use in MN. Rule 2-F-3 in the ***Minnesota Basic Manual*** has been established to define and address payments to paid furloughed employees. Statistical Code 0012 will be created for reporting these payments. These payments will not be used in the calculation of premium only if the employer keeps separate, accurate, and verifiable records. For more information, please refer to Circular Number 20-1766 dated May 5, 2020, located on our website.

2 - Some employees are placed into different roles within the company for the duration of the pandemic. Can the classification of those employees change?

In the ***Minnesota Basic Manual***, Rule 1 A states: Subject to certain exceptions, it is the business of the employer within a state that is classified, not separate employments, occupations or operations within the business.

Rule 2 G in the ***Minnesota Basic Manual*** explains Interchange Of Labor. An employer would be responsible for maintaining separate payroll records for

the change in operations or the wages earned for an employee whose occupation has changed. If these records are not maintained, then all payroll would be assigned to the highest rated applicable class code.

3 - Audit noncompliance charge and COVID 19. Is it still mandatory to apply the ANC when an audit cannot be obtained?

All Carriers are required to attach the endorsement to a MN policy, but is not required to apply the penalty. The ANC charge or penalty is only mandatory for MN Assigned Risk Plan policies. The ***Minnesota Basic Manual*** states: the carrier **may** apply an Audit Noncompliance Charge (ANC) subject to the conditions in this rule. Please refer to Rule 3-A-13-b in the ***Minnesota Basic Manual***.

4 - Will there be any changes in how experience ratings are calculated?

Note: This answer has been revised 7-28-20.

Claims attributable to the COVID-19 pandemic and reported to Catastrophe Number 12 will be excluded from experience rating calculations and merit ratings. **Claims reported with Catastrophe Number 12 will not be displayed on the experience rating worksheets.** Catastrophe Number 12 applies to claims with accident dates of December 1, 2019 and subsequent. At this time, no ending claim accident date has been established. Once established, claims occurring after the ending claim accident date must **not** be reported with Catastrophe Number 12. Such claims will be included in experience rating calculations and merit ratings.

For more information, please refer to Circular Number 20-1768 dated June 24, 2020 located on our website.

5 – COVID-19 Update New Cause of Injury, Nature of Injury and Catastrophe Codes Valuation Effective Date August 1, 2020.

For more information, please refer to Circular Number 20-1763 dated April 7, 2020, located on our website.

New – 5-12-20

6 – Is there any limit as to when Class Code 0012 can be added to a policy?

Class code 0012 is effective 3-1-2020. This code can be added to a policy mid-term, effective 3-1-2020 or after, or, at time of audit.

New – 5-12-20

7 – Are Carriers able to report estimated audits due to COVID-19?

Yes. Use Estimated Audit Code as an “N”. For more information, please refer to Circular Number 20-1766 dated May 5, 2020, located on our website, or, Rule 3-8-G located in the *Minnesota Statistical Plan Manual*.

New – 5-12-20

8 – Are furloughed payrolls assigned to Code 0012 included for calculating terrorism?

No. Payroll assigned to Code 0012 is excluded from terrorism surcharge calculations.