



Workers' Benefit Fund

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Workers' Benefit Fund overview

- Funds return-to-work programs
- Provides increased benefits over time for workers who are permanently and totally disabled
- Gives benefits to families of workers who die from workplace injuries or diseases
- Funded by a cents-per-hour assessment on workers, employers

History of Workers' Benefit Fund

- HB 2044 (1995)
 - Established WBF
 - Transferred reserve balances into WBF
 - WBF became funding source for all reserve programs
 - Management-Labor Advisory Committee (MLAC) made responsible for reporting to DCBS director and Legislature on operations of WBF programs
- Before WBF, four dedicated reserves in Consumer and Business Services fund
 - Retroactive Reserve Fund (1955)
 - Reemployment Assistance Reserve (1990)
 - Reopened Claims Reserve (1987)
 - Handicapped Workers Reserve (1981)

History of Workers' Benefit Fund

- HB 2348 (1993) allowed DCBS to set assessment rates by rule & allocate future revenue between all four reserves
- Purpose of 1993 and 1995 reforms
 - Improve efficiency of WBF programs
 - Depoliticize rate setting and benefit levels
 - Keep funds secure for intended purpose

WBF: What it is used for (1 of 3)

- **Retroactive Program** – Ensures workers or their beneficiaries are being paid at current benefit levels for like injuries
- **Reemployment Assistance Program** – Encourages the return to work of injured workers
 - **Employer-at-Injury Program** – Incentivizes early return to work
 - **Preferred Worker Program** – Helps permanently disabled injured workers find and retain employment

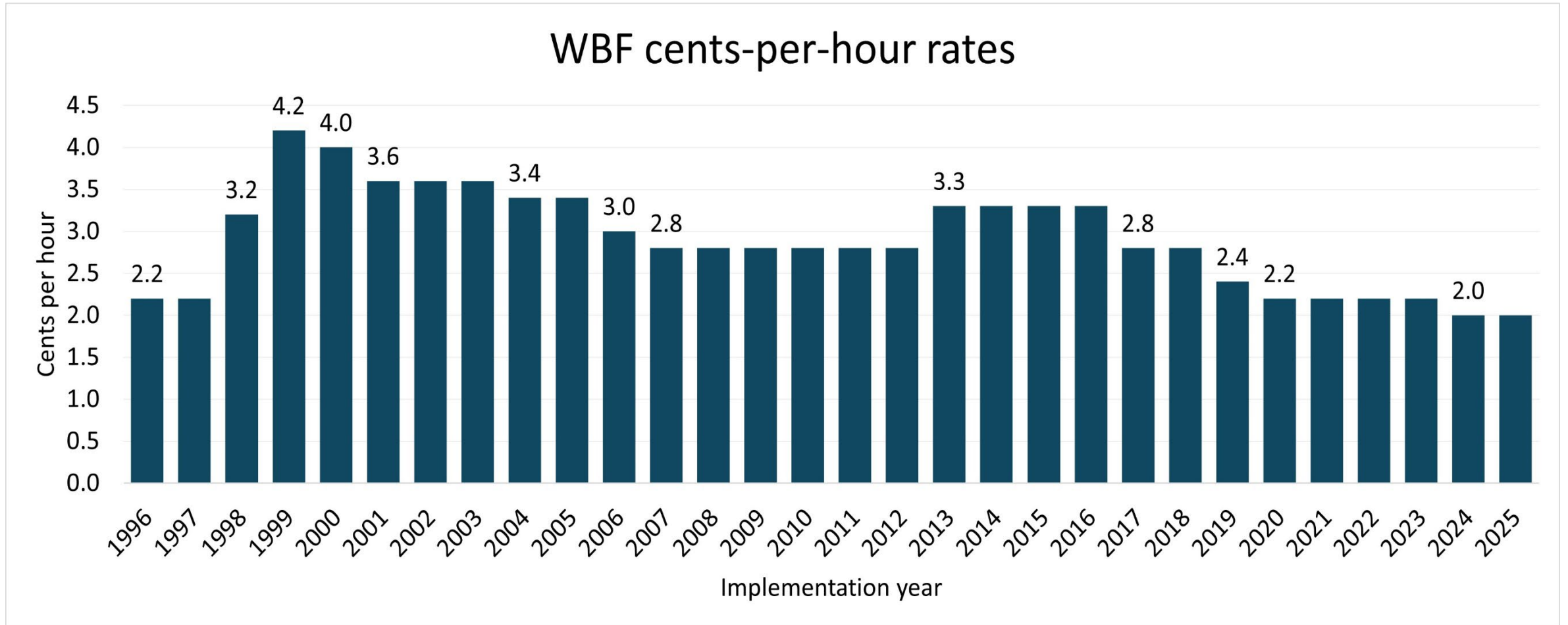
WBF: What it is used for (2 of 3)

- **Reopened Claims Program** – Provides temporary disability benefits to workers whose claim is reopened after their aggravation rights have expired
- **Workers With Disabilities Program** – Encouraged the employment of disabled workers, whether their impairment was congenital or due to an injury or disease
- **SB 1558 Claim Payments** – Provides benefits to workers employed by members of decertified self-insured employer groups whose security has been exhausted

WBF: What it is used for (3 of 3)

- **Supplement Disability Benefit** – Provides wage replacement for workers with multiple jobs
- **Oregon Institute of Occupational Health Sciences of OHSU** – Funding for research dedicated to health and safety in the workforce
- **Bureau of Labor and Industries (BOLI) Investigations** – Pays BOLI for investigating injured worker discrimination complaints

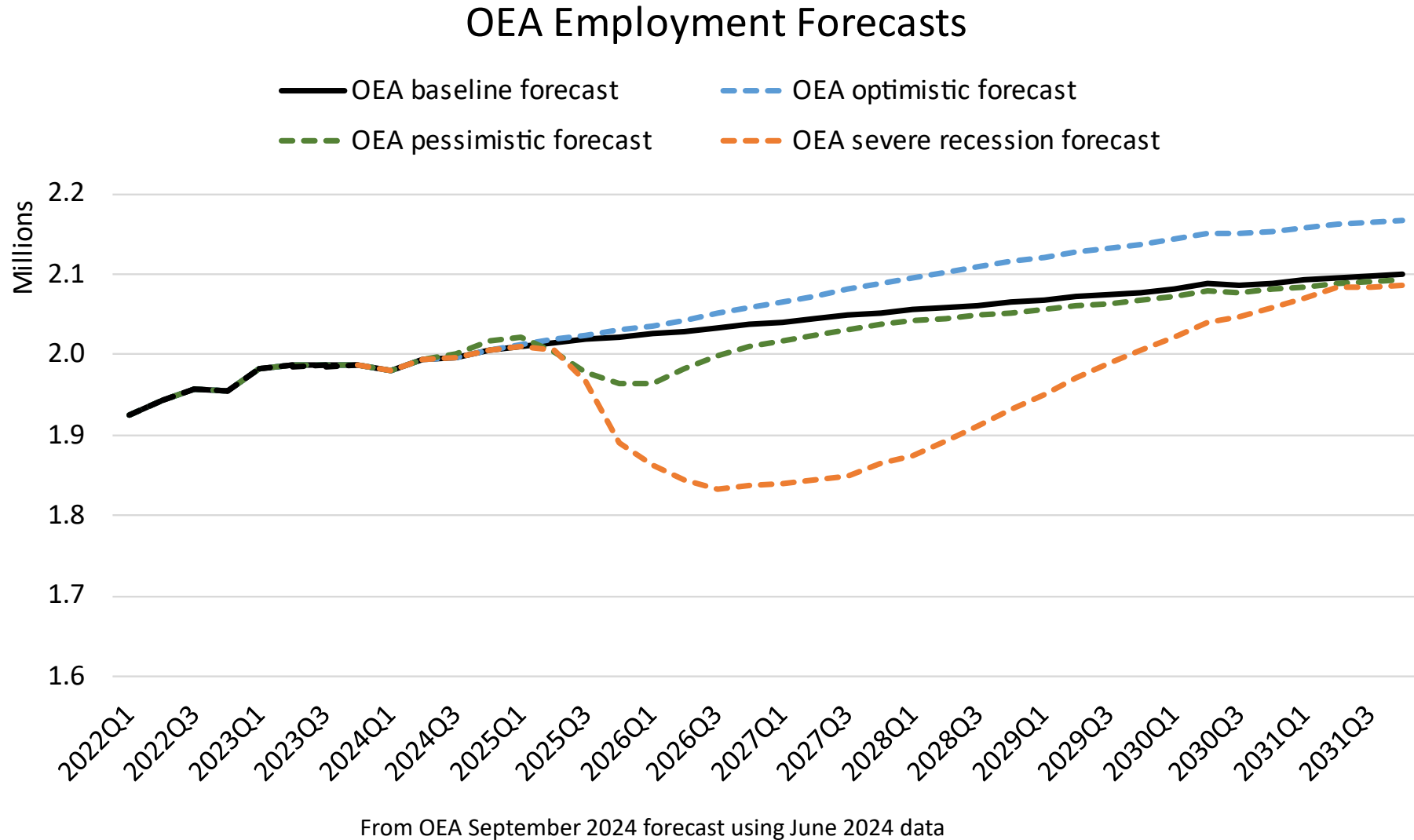
History of WBF rate



Setting the rate: Revenue assumptions (1 of 3)

1. Actual revenue data from quarterly financial statements through June
2. The employment forecasts from the preliminary September OEA economic forecast
3. Estimate of average annual number of hours worked.
4. Updated estimates of the recoveries for the Non-Complying Employer (NCE) Program
5. Estimates of investment income based on latest information from the State Treasurer's Office
6. Fines, penalties, other misc. revenue based on recent activity

Setting the rate: Revenue assumptions (2 of 3)



Setting the rate: Revenue assumptions (3 of 3)

Revenue Assumptions with Actual Revenue as of June 2024

Biennium FY	2023-2025		2025-2027		2027-2029	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue:						
Assessments	67,861,600	63,645,569	64,254,563	64,777,105	65,271,910	65,704,350
Investment Income	1,576,017	5,176,017	3,783,060	2,751,427	2,302,703	2,007,037
Fines and Penalties	939,503	689,937	689,937	689,937	689,937	689,937
Other Income	648,383	370,606	370,606	370,606	370,606	370,606
Total Revenue Excluding NCE	\$ 71,025,503	\$ 69,882,128	\$ 69,098,165	\$ 68,589,074	\$ 68,635,155	\$ 68,771,930

Setting the rate: Expenditure assumptions (1 of 3)

1. Actual expenditure and transfer data from the quarterly financial statements through June
2. Updated forecasts of all WBF program expenditures
3. Cost-of-living-adjustment estimates for WCD and OOW staff administering WBF programs
4. Projected payments to the Oregon Institute of Occupational Health Sciences (OIOHS)

Setting the rate: Expenditure assumptions (2 of 3)

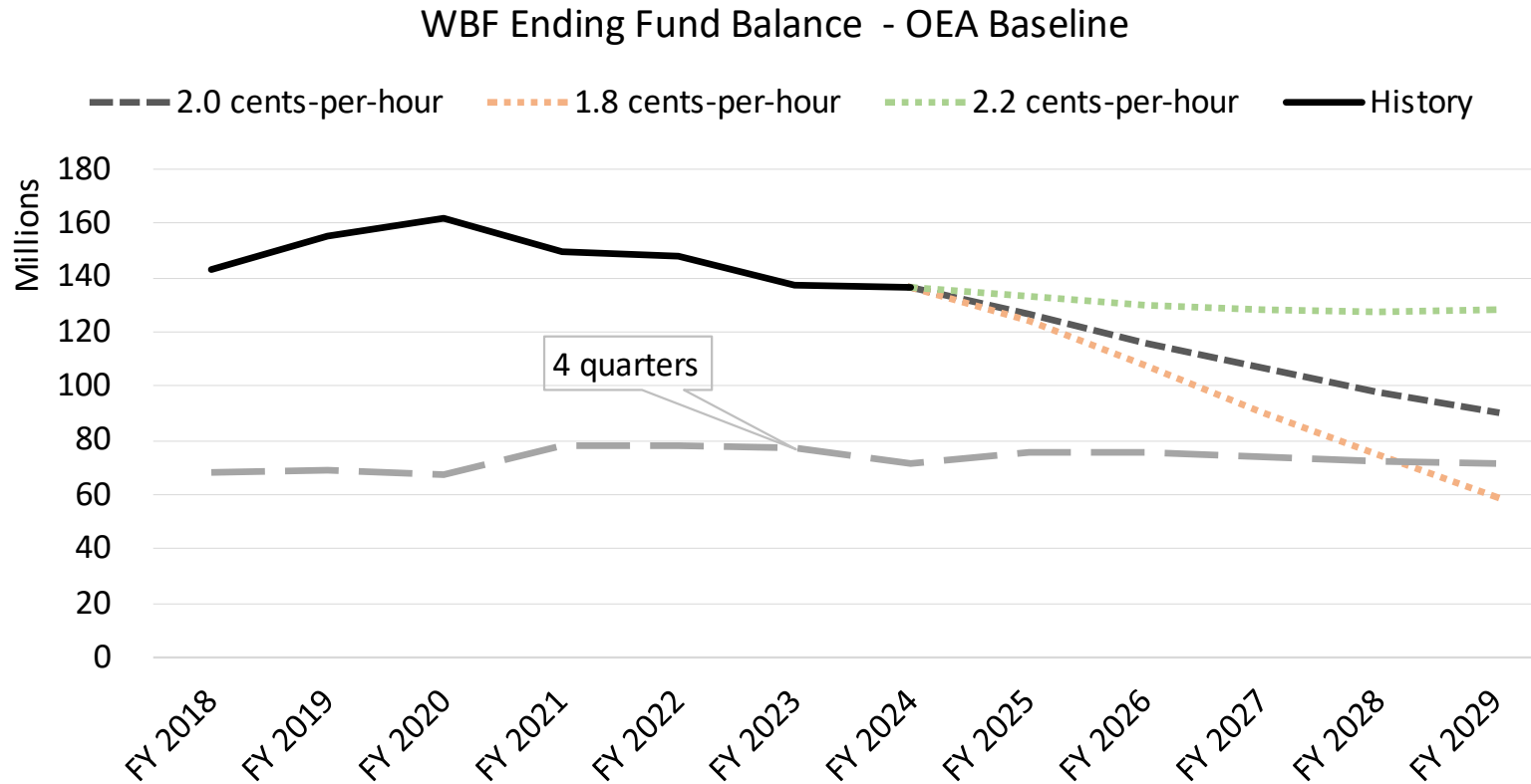
5. Payments to the Bureau of Labor and Industries (BOLI) for enforcement of anti-discrimination laws.
6. Updated estimates of the transfers from the Premium Assessment Operating Account (PAOA) for the NCE Program expenditures.
7. Estimates of the payments from the WBF for claims costs of the two self-insurer groups that have dissolved under the provisions of SB 1558, passed during the 2014 legislative session.

Setting the rate: Expenditure assumptions (3 of 3)

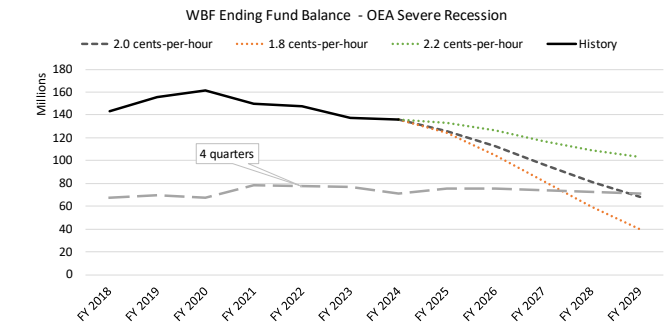
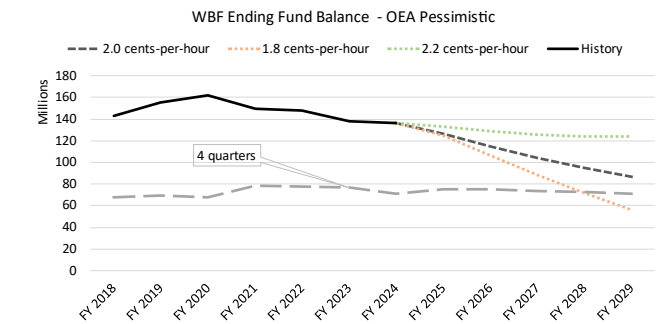
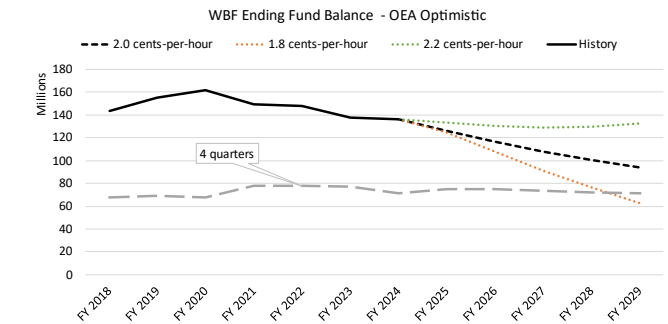
Biennium FY	2023-2025				2025-2027				2027-2029			
	FY 2024		FY 2025		FY 2026		FY 2027		FY 2028		FY 2029	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
WBF Program Expenditures:												
Workers with Disability Program	169,067	0.2%	145,882	0.2%	127,192	0.2%	109,473	0.1%	92,650	0.1%	76,657	0.1%
Reemp. Assistance Prog., exc. OHSU	26,503,711	36.1%	28,709,242	35.6%	29,050,283	36.6%	29,395,298	37.6%	29,744,767	38.5%	30,095,957	39.3%
Reopened Claims Program	2,227,367	3.0%	3,076,851	3.8%	3,181,014	4.0%	3,244,127	4.2%	3,389,704	4.4%	3,616,208	4.7%
Retroactive Program	34,306,895	46.8%	39,140,139	48.5%	37,238,291	46.9%	35,501,399	45.4%	33,901,840	43.9%	32,421,349	42.4%
SB 485 Multiple Wage Jobs	1,424,181	1.9%	1,300,867	1.6%	1,300,867	1.6%	1,300,867	1.7%	1,300,867	1.7%	1,300,867	1.7%
SB 1558 Claim Payments	76,142	0.1%	8,070	0.0%	7,157	0.0%	6,413	0.0%	5,807	0.0%	5,314	0.0%
WBF Program Expenditure Total	\$64,707,363	88.2%	\$72,381,052	89.7%	\$70,904,804	89.4%	\$69,557,577	89.0%	\$68,435,635	88.6%	\$67,516,352	88.2%
WBF Administrative Expenditures:												
DCBS Administrative Expenditures	6,214,729	8.5%	5,805,710	7.2%	5,885,189	7.4%	6,025,600	7.7%	6,206,368	8.0%	6,392,559	8.4%
OHSU Transfer Out	1,965,013	2.7%	2,008,129	2.5%	2,026,295	2.6%	2,041,689	2.6%	2,056,301	2.7%	2,069,897	2.7%
BOLI Transfer Out	460,000	0.6%	535,000	0.7%	535,000	0.7%	535,000	0.7%	535,000	0.7%	535,000	0.7%
Miscellaneous Expenditures	36,206	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
WBF Administrative Expenditure Total	\$ 8,675,948	11.8%	\$ 8,348,839	10.3%	\$ 8,446,484	10.6%	\$ 8,602,289	11.0%	\$ 8,797,669	11.4%	\$ 8,997,456	11.8%
Total WBF Expenditures Excluding NCE	\$73,383,311		\$80,729,891		\$79,351,288		\$78,159,866		\$77,233,305		\$76,513,808	

Data through June 2024

Setting the WBF rate



Forecast published August 2024 using June 2024 data



Role of Management-Labor Advisory Committee

- Provides effective forum for business, labor to meet, explore and resolve issues in workers' comp system
- Advises DCBS director on proposed changes in operation of programs funded by WBF
- Reviews plans DCBS develops to increase fund balance
- Reports to legislature on findings, recommendations of operation of programs funded by WBF



Questions?