

4123-17-17 Auditing and adjustment of payroll reports.

- (A) Every employer amenable to the workers' compensation law shall keep, preserve and maintain complete records showing in detail all expenditures for payroll and the division of such expenditures in the various divisions and classifications of the employer's business. Such records shall be preserved for at least five years after the respective time of the transaction upon which such records are based.
- (B) All books, records, papers, and documents reflecting upon the amount and the classifications of the payroll expenditures of an employer shall be kept available for inspection at any time by the bureau of workers' compensation or any of its assistants, agents, representatives or employees. If any private fund, county, or public employer taxing district employer fails to keep, preserve and maintain such records and other information reflecting upon payroll expenditures, or fails to make such records and information available for inspection, or fails to furnish the bureau or any of its assistants, agents, representatives or employees, full and complete information in reference to expenditures for payroll when such information is requested, the bureau may determine upon such information as is available to it the amount of premium due from the employer and its findings shall constitute prima facie evidence of the amount of premium due from the employer.
- (C) The bureau shall have the right at all times by its members, deputies, referees, traveling auditors, inspectors or assistants to inspect, examine or audit any or all books, records, papers, documents and payroll of private fund, county, or public employer taxing district employers for the purpose of verifying the correctness of reports made by employers of wage expenditures as required by law and rule 4123-17-14 of the Administrative Code. The bureau shall also have the right to make adjustments as to classifications, allocation of wage expenditures to classifications, amount of wage expenditures, premium rates or amount of premium. No adjustments, however, shall be made in an employer's account which result in reducing any amount of premium below the amount of contributions made by the employer to the fund for the periods involved, except in reference to adjustments for the semi-annual or adjustment periods ending within twenty-four months immediately prior to the beginning of the current payroll reporting period. Except as provided in rule 4123-17-28 of the Administrative Code, no adjustments shall be made in an employer's account which result in increasing any amount of premium above the amount of contributions made by the employer to the fund for the periods involved, except in reference to adjustments for the semi-annual or adjustment periods ending within twenty-four months immediately prior to the beginning of the current payroll reporting period. The twenty-four month period shall be determined by the date when such errors affecting the reports and the premium are brought to the attention of the bureau by an employer through written application for adjustment or from the date that the bureau provides written notice to the employer of the bureau's intent to inspect, examine, or audit the employer's records.

- (D) Experience will not be recalculated unless there is an adjustment of an employer's account due to a reclassification of operations. In such event the experience will be recalculated for the same period as the adjustment of the employer's account.
- (E) Where the bureau has assigned two or more classifications for an employer's operations, the employer shall keep an appropriate record showing a correct and verifiable segregation of all payroll into such classifications. If it is found that the employer has failed to keep such record, the part of the payroll which cannot be reasonably determined by the bureau as belonging to any other classification shall be placed by the bureau under the assigned classification having the highest rate, and the employer will be assessed premium accordingly. To such payroll as is expended after the employer has been notified of these requirements and which is not segregated as herein provided, the highest rate of the employer's assigned classifications shall be applied.

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