

## **4123-17-18.1 Early payment discount program.**

(A) The administrator of workers' compensation, with the advice and consent of the bureau of workers' compensation board of directors, has authority to approve contributions made to the state insurance fund by employers pursuant to sections 4121.121, 4123.29, and 4123.34 of the Revised Code. Pursuant to section 4123.29 of the Revised Code, the administrator, with the advice and consent of the bureau of workers' compensation board of directors, may grant a discount as the administrator determines to an employer that makes its semiannual premium payment at least one month prior to the last day on which the payment may be made without penalty.

(B) Employer eligibility for early payment discount.

- (1) The early payment discount shall be available to any private state fund employer with active coverage. An employer reporting zero payroll is not eligible for the discount.
- (2) The employer may participate in any other alternative rating program offered by the bureau.
- (3) The early payment discount is available only for an employer that reports its payroll and pays its premiums over the internet through electronic submission on the bureau's website.

(C) Operation of the early payment discount.

- (1) An employer participating in the early payment discount program may submit to the bureau the employer's payroll, actual or estimated, with payment, at any time during the current reporting period. The actual discount will depend upon the time of payment as provided in paragraph (D) of this rule.
- (2) For the early payment discount, the bureau will accept the employer's payment without the employer's payroll, but will not accept the employer's payroll without the employer's premium payment.
- (3) The employer shall report the complete payroll for the payroll reporting period by the normal due date for the premium payment. The employer's coverage will lapse if the employer does not file and pay the full amount due as required by the completed payroll report for the reporting period.
  - (a) The bureau will not refund an overpayment of early premium payments made by the employer until the employer filed the completed payroll report for the reporting period.

(b) Standard penalties will apply to any net balance due from the employer, i.e., total premium due less discounts, dividends, and early payments made.

(D) Premium discount for the early payment discount.

- (1) The bureau will determine the discount rate for each calendar year based on the prior year's actuarial audit's discount rate. The amount of the discount for early payment will be incremental and will decline based upon the date the employer makes the payment to the bureau.
- (2) An employer is eligible for the appropriate early payment discount if the employer reports the payroll and pays the complete premium for the payroll reporting period by the first month of the two month grace period for payment; that is, by the end of January for payments due by the end of February, or by the end of July for payments due by the end of August.
- (3) The early payment discount shall apply to the total blended premium paid by the employer after all other discounts, dividends, etc.
- (4) For an employer participating in retrospective rating, the early payment discount shall be applied only to the minimum premium as defined in rule 4123-17-44 of the Administrative Code.

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