Engage PEO Client Alert:

Workers' Compensation: Regulatory Changes Related to COVID-19

COVID-19 is rapidly changing the rules and regulations related to workers' compensation across two major areas: **compensation and premiums.**

Compensability

What happens if an employee acquires COVID-19 and believes they acquired the disease at work – is this covered by workers' compensation?

Update: Several states have revised rules and guidelines that provide workers' compensation benefits for essential workers who contract COVID-19 while working. As workers' compensation is governed by state law, all 50 states have different provisions regarding whether a disease is an occupational disease and thus covered under the workers' compensation policy.

Given the fluid situation with state laws, Engage recommends the following:

Please report a workers' compensation claim immediately to Engage if:

- an employee is an essential employee (healthcare, nursing home, ALF worker; first responder) and has tested positive, received a positive diagnosis, or has exhibited symptoms and been sent home to quarantine;
- any other employee has received a positive diagnosis via testing or diagnosis from a physician and there is a reasonable belief that the exposure could have occurred at work.

WC Premium Charges

Will the workers' compensation premium be charged if I am paying employees who are not working for any reason related to COVID-19 (e.g., provisions of FFCRA or the CARES Act)?

Update: Several states, notably California, Delaware, Pennsylvania, and Wisconsin have passed rules that indicate that the workers' compensation premium will not be charged for employees who are being paid and not working. 37 other states are currently reviewing guidance that also would stop workers' compensation from being charged under these circumstances. Engage will ensure compliance with state rules.

Given the fluid situation with state laws, Engage recommends the following:

Notify your Engage payroll specialist that you will be paying employees who are not working and ensure the pay codes created for COVID-19-related payments are being used. The Engage payroll system will automatically suppress charges in the states where applicable.