Instructions for the Missouri Group Self-Insurance Workers' Compensation Tax For Groups authorized to self-insure pursuant to § 537.620, RSMo

Download and save the 537.620 Group Self-Insured Tax Return Table 1 Workpaper. This document will allow you to calculate the Total Payroll, Manual Premium, and Standard Premium that must be transferred to the Group Form, discussed below. List each of the member employers in column A, beginning with row 18, with their corresponding experience modification factor, if any, in Mod. Factor column. Then, list all necessary class codes in row 12 along with either the rates per \$100 of payroll that have been approved by the Division of Workers' Compensation for your self-insured group, or the DIFP average rate classifications calculated by the department of commerce and insurance as taken from premium rates filed by the twenty insurance companies providing for the greatest volume of workers' compensation insurance coverage in this state. Effective August 28, 2018, any group of political subdivisions of this state qualified to self-insure their liability pursuant to this chapter as authorized by section 537.620 may choose either the average rate classification method or the filed rate method, provided that the method used may only be changed once without receiving the consent of the director of the division of workers' compensation. If your group requires more than 25 columns for class codes, please contact the email at the bottom of these instructions to receive an expanded spreadsheet. Finally, list payroll by employer for each applicable class code. Total Payroll, Manual Premium and Standard Premium amounts will auto-fill.

Download and save the <u>Group Form.</u> When you save this spreadsheet, a login screen will appear. Select "cancel" and it will then allow you to save the spreadsheet. This worksheet requires information regarding each group member-employer's payroll for the period January 1, to December 31. It requires information only on the payroll paid to employees subject to the Missouri Workers' Compensation Law (Chapter 287 RSMo). "Payroll" is considered to be "remuneration" as defined by the Basic Manual of the National Council on Compensation Insurance (NCCI). For those group member-employers who have started operations in Missouri during the calendar year, the group should report payroll from that member's date of authorization to self-insure by the Division of Workers' Compensation to the end of the year, December 31.

Use the following instructions to complete the Group Form. The numbers for the steps listed below correspond to the column or line numbers appearing on the spreadsheet.

- 1. **Member-Employer Name:** The entries in the column for step number 1 should contain the name, as approved by the Division of Workers' Compensation, of each self-insured member-employer in your group. Be sure to list the name of the member-employer in accordance with Division of Workers' Compensation and MDI records. If a member has \$0 payroll, please list the member and indicate \$0 payroll. This column should match up exactly with column A, beginning with row 18, of the 537.620 Group Self-Insured Tax Return Table 1 Workpaper.
- 2. **Total Payroll**: List the payroll for each member-employer in the group. As indicated above, the amount of payroll is based on "remuneration" as defined by the NCCl; this includes certain types of reimbursement in addition to normal wages or salaries. This column should match up exactly with column N, beginning with row 18, of the 537.620 Group Self-Insured Tax Return Table 1 Workpaper.
- 3. Manual Premium: List the total manual premium for the calendar year for each member-employer, based on the rates per \$100 of payroll that have been approved by the Division of Workers' Compensation for your self-insured group, or the DIFP average rate classifications calculated by the department of insurance, financial institutions and professional registration as taken from premium rates filed by the twenty insurance companies providing for the greatest volume of workers' compensation insurance coverage in this state. Effective August 28, 2018, any group of political subdivisions of this state qualified to self-insure their liability pursuant to this chapter as authorized by section 537.620 may choose either the average rate classification method or the filed rate method, provided that the method used may only be changed once without receiving the consent of the director of the division of workers' compensation. This column should match up exactly with column O, beginning with row 18, of the 537.620 Group Self-Insured Tax Return Table 1 Workpaper.
- **4. Experience Modification Factor:** Each member-employer's individual experience modification factor, as calculated by the NCCI, should be entered on the appropriate line in the column for step No.4. The experience modification factors for the tax year being submitted should be used on the tax report. This column should match up exactly with column P, beginning with row 18, of the 537.620 Group Self-Insured Tax Return Table 1 Workpaper.
- **5. Standard Premium 5 = 3 x 4:** The manual premium for each member-employer listed in column 3 should be multiplied by the member-employer's experience modification factor in column 4 to calculate the member's standard premium. This column should match up exactly with column Q, beginning with row 18, of the 537.620 Group Self-Insured Tax Return Table 1 Workpaper.

- **6. Expense Constant (if any):** This reflects the expense constant submitted by the group and currently on file with the Division of Workers' Compensation. The same value should be entered for every member in this column. If the group has not filed an expense constant with the Division of Workers' Compensation for approval, no expense constant may be entered on the worksheet. This input can only be positive.
- 7. Other Surcharge(s) (if any): This reflects the surcharges submitted by the group and currently on file with the Division of Workers' Compensation. If the group has not submitted surcharges to the Division of Workers' Compensation for approval, no surcharge may be entered on the worksheet. See 8 CSR 50-3.010(8)(B). This input can only be positive.
- **8. Premium Discount(s) (if any):** This amount should reflect the premium discount submitted by the group and currently on file with the Division of Workers' Compensation. If the group has not submitted a discount schedule to the Division of Workers' Compensation for approval, no discount should be entered on the worksheet. The total discounts for any individual member shall not exceed twenty-five percent (25%). See § 287.280.3, RSMo, and 8 CSR 50-3.010(8)(A). This input can only be positive, but will be subtracted from the standard premium.
- **9. Member Premium 9 = 5 + 6 + 7 8:** Add the amounts in column 5, column 6, and column 7; subtract the amount in column 8 to calculate the Member Premium.
- **10-13. Totals:** Add the amounts in column 2 to calculate the total payroll (item 10); add the amounts in column 3 to calculate the total manual premium (item 11); add the amounts in column 5 to calculate the total standard premium (item 12); add the amounts in column 9 to calculate the total member premium (item 13).
- **14. Audit Premium:** Any additional or return premium from the most recent prior policy period should be added to or subtracted from the total member premium (item 13). This input can be positive or negative.
- **15. Retro Premiums**: All retrospective premiums not previously reported for the prior policy period should be added to the total member premium (item 13). This input can only be positive.
- **16. Dividends Paid:** All surplus distributions (e.g., dividends) paid in calendar year should be subtracted from the total member premium (item 13). This input can only be negative, but will be added to the total member premium.
- 17. Other (): This space is reserved for any other credits or surcharges that apply to the group self-insurance trust, such as the Missouri Contractor's Credit Program. Any additional or return premiums should be added to or subtracted from the total member premium (item 13). This input can be positive or negative.
- **18. Total Group Premium:** Add the entries on lines 14, 15, 16, and 17 to the total member premium (item 13) to calculate the total group premium.
- 19. WC Administrative Tax: To compute the annual workers' compensation administrative tax multiply the calendar year total group premium in line 18 by the annual rate, and enter the result on this line. The result is the amount of workers' compensation premium tax that is owed by your group for this tax year, rounded to the nearest whole dollar.
- **The Total Payroll should be entered on the Premium Tax Report.
- **The WC Administrative Tax should be entered on the Premium Tax Report.

Now you need to Login to your Self-Insured Workers' Compensation Web Portal. The Web Portal is located at the following link <u>Self-Insured Workers' Compensation Web Portal</u>. Once you login you will be able to File Group-Table 1 and change your account settings.

In addition to the above instructions, you must mail hard copies of the 537.620 Group Self-Insured Tax Return Table 1 Workpaper and Group Form spreadsheet files, as well as a copy of the current Experience Modification Factor to the Division of Workers' Compensation. Their mailing address is:

Division of Workers' Compensation P.O. Box 58 (Overnight: 3315 W Truman Blvd) Jefferson City, MO 65102-0058 (Overnight: 65109) files must also be sent to DWCSelfInsurance@labor.mo.gov.

QUESTIONS SHOULD BE DIRECTED TO:

• Phone: 573-526-4986

• Email: SI_PTax@insurance.mo.gov