

State of Washington
 Department of Labor and Industries
 PO Box 44140
 Olympia WA 98504-4140

THIS IS
 NOT A
 BILL

Rate Notice: WA Workers' Compensation

Effective Date:	Experience Factor ⁴ :
Experience Period:	
WA Unified Business Identifier (UBI):	
L&I Account ID:	PAC Number:
Account Manager:	

Policyholder

SAMPLE

Pay your premiums online: www.QuarterlyReports.Lni.wa.gov

Need help understanding this notice? Call your account manager at the phone number shown above.

*Have a payroll service?
 Send them a copy of this notice.*

Your Rate Information	Class Code	Class Code Description	Accident Fund (AF) ¹	Medical Aid Fund (MA) ²	Stay at Work Program ³	Supp. Pension Fund (SP) ⁵	Hourly* Employer Contribution	Hourly* Employee Withholding	= Your Total Hourly* Rate [(1+2+3)x4]+5

This is the employer's contribution to workers' comp coverage.

Withhold this amount from employee pay for each hour* they work. It is their contribution to workers' comp coverage.

On the Quarterly Report, the employer will multiply this number by the hours* worked to calculate premiums.

Your experience factor history:

What's an experience factor?
 See back for an explanation.

What is workers' compensation insurance at L&I?

This insurance covers your employee if they are injured on the job or become ill because of the work they do.

When will I need to use the information on this form?

This is not a bill. It is a notice containing your newest hourly* rates and employee withholding for workers' compensation coverage. Begin applying these rates on the effective date listed.

Rate Notice Definitions:

Effective Date: The day you begin applying the new rate to the hours* your employees work.

Experience Factor⁴: New businesses** begin with a base experience factor of 1.0000. After about 18 months in business, they will receive an experience factor, which may be lower or higher, based on their experience with claims and hours* reported. The experience factor may change if a business has been purchased or sold.

Experience Period: L&I used claims during this three-year rating period to establish your experience factor.

Claim-Free Discount: A lower rate for employers who have no claims involving time-loss or disability benefits in their three-year experience period. Discounts may range from 10 to more than 40 percent of the classification's Accident Fund, Medical Aid Fund, and Stay at Work Program base rates, depending on the size of the firm. Example: If your experience factor is .6900, then your claim-free discount is 31 percent.

Class Code and Description: This indicates the nature of the business. Different classes carry different risks of employee injury or illness and have different hourly* workers' compensation rates.

Accident Fund (AF¹): The portion of the base rate used to pay lost wages and disability awards to injured workers and benefits to survivors of fatally injured workers.

Medical Aid Fund (MA²): The portion of the base rate used to pay for the treatment of injured employees.

Stay at Work Program³: The portion of the base rate used to reimburse employers who provide light-duty or transitional work that allows an employee to continue working while recovering from an injury.

Supplemental (Supp.) Pension Fund (SP⁵): The portion of the base rate that supports cost-of-living increases to injured workers with extended disability benefits.

Hourly* Employer Contribution: The amount per hour* you contribute to your firm's workers' compensation premiums.

Hourly* Employee Withholding: The amount per hour* you withhold from the employee's paycheck as his/her portion of workers' compensation premiums. (Formula below.)

Your Total Hourly* Rate: The amount you pay for each hour* worked. Hourly Employer Contribution + Employee Withholding = Total hourly* rate you pay L&I.

How does L&I calculate my rates and employee withholdings?

Check the columns on the reverse side. Then apply these formulas:

$$\begin{aligned}\text{Hourly* Employer Contribution} &= \text{Your Total Hourly* Rate} - \text{Hourly* Employee Withholding} \\ \text{Hourly* Employee Withholding} &= \left[\left(\text{MA}^2 + \text{Stay at Work Program}^3 \right) \times \text{Experience Factor}^4 \right] + \text{SP}^5 \text{ divided} \\ &\text{by } 2 \\ \text{Your Total Hourly* Rate} &= \left[\left(\text{AF}^1 + \text{MA}^2 + \text{Stay at Work Program}^3 \right) \times \text{Experience Factor}^4 \right] + \text{SP}^5\end{aligned}$$

* Hours or units. (In a few industries, units rather than hours will apply throughout this notice.)

** Did you purchase or sell all or part of an existing business? Call your account manager to find out how this will affect your experience factor.

For help controlling your workers' compensation costs, please go to www.ControlMyCosts.Lni.wa.gov.