

# WORKPLACE SAFETY AND LOSS PREVENTION PROGRAM

## Code Rule 59 Payroll Threshold Increase

### ACTIONS NEEDED:

- **Big I New York will seek legislation to amend the Workers Compensation Law to change the payroll threshold for employer participation in the Workplace Safety and Loss Prevention Program from \$800,000 to \$1.2 million.**

### THE ISSUE:

- The Workplace Safety and Loss Prevention Program (also known as Code Rule 59) was created in 1997 by statute to reduce workplace injuries and lower Workers' Compensation costs for larger employers.
- The program is required for all employers whose most recent annual payroll is in excess of \$800,000 and whose most recent experience rating exceeds the level of 1.2. Employers who meet these criteria are notified by the New York Compensation Insurance Rating Board of the need to undergo a Workplace Safety and Loss Prevention Consultation and evaluation. Notifications are sent out by the Rating Board several times a year as determined by the Board. Employers must pay a fee for the consultation, which if conducted by the Department of Labor is \$350 a day. Any remedial action recommended by the consultant must be implemented by the employer within six months.

### THE FACTS:

Over the last 20 years, payrolls have increased substantially. The law, which was originally intended to apply to larger employers, is now capturing smaller ones because the payroll threshold has not been adjusted. While Big I New York supports compulsory safety and loss prevention programs, it believes that the \$800,000 payroll threshold needs to be adjusted to reflect today's payroll costs. Based upon the Employment Cost Index published by the U.S. Bureau of Labor Statistics, a payroll threshold of \$800,000 in 1997 would equate today to approximately \$1.2 million.

Big I New York developed legislation to reflect this updated payroll threshold. The legislation also would allow for annual adjustments to the threshold based on the Employment Cost Index.

