

Henderson Brothers, Inc. White Paper

PCRB Approves New Filings In Response To COVID-19

PCRB has approved new filings which call for revisions to the Pennsylvania Basic Manual and the Pennsylvania Statistical Plan Manual as a result of the COVID-19 outbreak. These new filings seek to mitigate the impact of employees taking on new duties or being furloughed.



Employers across the state have been forced to place employees into new roles undertaking new duties, and in some cases employees have been placed on paid furlough leave. The fallout from these unusual circumstances have brought questions to light in regards to how this will affect payroll reporting and premium calculations for workers' compensation. This week, PCRB, took steps in addressing these questions by rolling out significant, albeit temporary, rule changes to their Basic Manual and Statistical Plan Manual, for policies in force on March 1, 2020 through December 31, 2020 with the caveat that these dates are subject to change based on unforeseen circumstances that may develop.

Payroll Reporting

PCRB has issued rule changes to the ways in which employers will report payroll as a result of the COVID-19 outbreak.

The first of which allows employers to reassign employees to the Code 953 classification (Clerical Office Employees). As many employees have moved to a work-from-home environment, they have subsequently taken on new roles and duties, most of which falls under the Clerical Office Employee nature. The PCRB defines this rule change as the following:

“An employee’s job duties may be temporarily reclassified to Code 953 – Clerical Office Employees during any emergency orders, laws or regulations issued due to COVID–19 (Coronavirus), if separate, accurate, verifiable records are maintained. If such records are not maintained, the employee is assigned to the classification applicable to their duties prior to any emergency orders, laws, or regulations issued due to the COVID–19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.”

In addition, PCRB has also submitted a revision as it relates to furloughed employees receiving payments. This revision outlines the ruling that any payments made to furloughed employees will not be considered in the premium, experience rating, and merit rating calculations. PCRB has established a new class code, Code 1212, to capture payroll for furloughed employees. Employers are required to maintain separate, accurate, and verifiable records for this payroll code. If such records are not maintained, payroll will be assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due to the COVID-19 outbreak.

Claim Reporting

PCRB filed a rule that will exclude all claims arising from COVID-19 in the experience rating calculation. The PCRB defines this rule as the following:

“All claims reported with Catastrophe Code No. 12 shall be excluded from experience rating calculations.”

This will prevent any claim arising from the COVID-19 outbreak to impact the calculation of the workers' compensation premium and experience modification rating, in order to maintain alignment with the PCRB's goal of using the experience modification rating to predict an employer's future workers' compensation costs.

For further explanation regarding PCRB's rule changes, please visit the following link: http://www.dcrb.com/shared/p_contents.htm

As developments continue to unfold in light of the COVID-19 outbreak, Henderson Brothers will monitor closely and provide updates as they surface.