



Workers' Benefit Fund

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History of Workers' Benefit Fund

- Before the WBF, four dedicated reserves in Consumer and Business Services fund
 - Retroactive Reserve Fund (1955)
 - Reemployment Assistance Reserve (1990)
 - Reopened Claims Reserve (1987)
 - Handicapped Workers Reserve (1981)
- HB 2348 (1993) allowed DCBS to set assessment rates by rule (with a \$0.02 per hour cap) & allocate future revenue between all four reserves

History of Workers' Benefit Fund

- HB 2044 (1995)
 - Established WBF
 - Removed the \$0.02 per hour rate cap
 - Transferred reserve balances into WBF
 - WBF became funding source for all reserve programs
 - Management-Labor Advisory Committee (MLAC) made responsible for reporting to DCBS director and Legislature on operations of WBF programs
- Purpose of 1993 and 1995 reforms
 - Improve efficiency of WBF programs
 - Depoliticize rate setting and benefit levels
 - Keep funds secure for intended purpose

Workers' Benefit Fund overview

- Plays a critical role in maintaining Oregon's balanced workers' compensation system
- Funds return-to-work programs
- Provides increased benefits over time for workers who are permanently and totally disabled
- Gives benefits to families of workers who die from workplace injuries or diseases
- Funded by a cents-per-hour assessment on workers, employers

WBF: What it is used for (1 of 3)

- **Retroactive Program** – Ensures workers or their beneficiaries are being paid at current benefit levels for like injuries
- **Reemployment Assistance Program** – Encourages the return to work of injured workers
 - **Employer-at-Injury Program** – Incentivizes early return to work
 - **Preferred Worker Program** – Helps permanently disabled injured workers find and retain employment

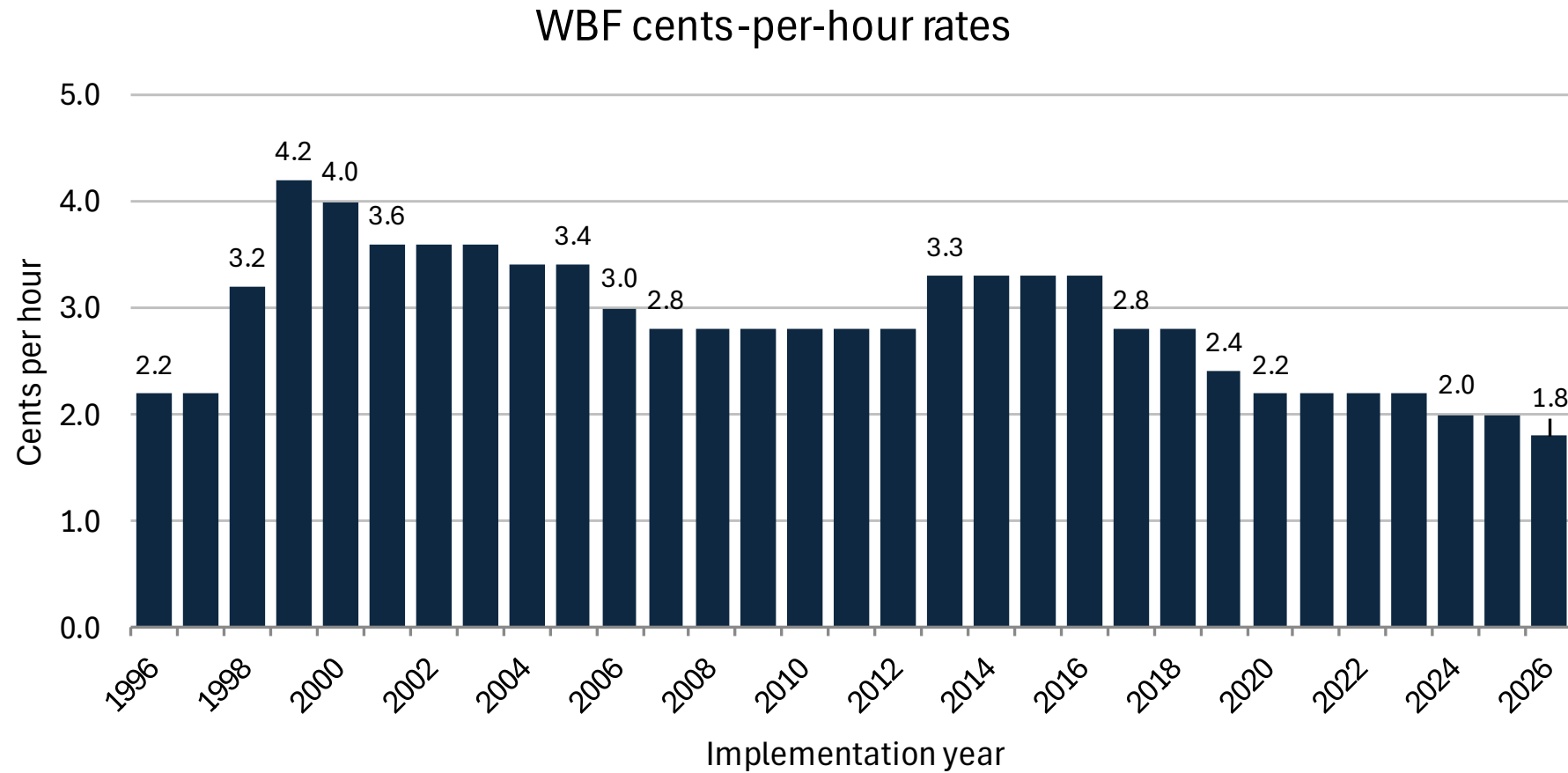
WBF: What it is used for (2 of 3)

- **Reopened Claims Program** – Provides temporary disability benefits to workers whose claim is reopened after their aggravation rights have expired
- **Workers With Disabilities Program** – Encouraged the employment of disabled workers, whether their impairment was congenital or due to an injury or disease
- **SB 1558 Claim Payments** – Provides benefits to workers employed by members of decertified self-insured employer groups whose security has been exhausted

WBF: What it is used for (3 of 3)

- **Supplement Disability Benefits** – Provides wage replacement for workers with multiple jobs
- **Oregon Institute of Occupational Health Sciences of OHSU** – Funding for research dedicated to health and safety in the workforce
- **Bureau of Labor and Industries (BOLI) Investigations** – Pays BOLI for investigating injured worker discrimination complaints
- **Noncomplying employer (NCE) claims costs** – reimbursed from a subaccount of the WBF funded by recoveries from NCEs

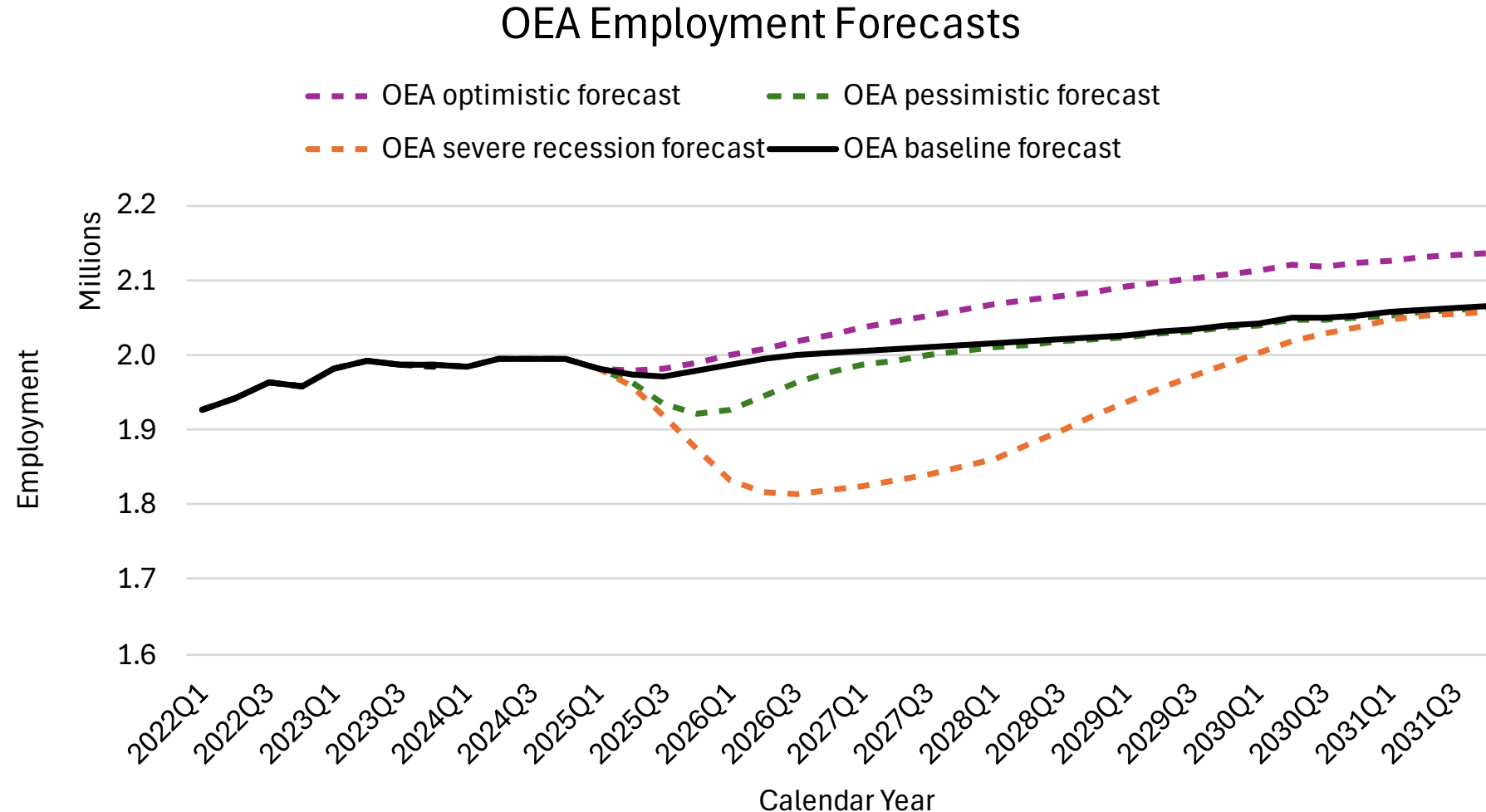
History of WBF rate



Setting the rate: Revenue assumptions (1 of 3)

1. Actual revenue data from quarterly financial statements through June
2. The employment forecasts from the preliminary September OEA economic forecast
3. Estimate of average annual number of hours worked.
4. Updated estimates of the recoveries for the Non-Complying Employer (NCE) Program
5. Estimates of investment income based on latest information from the State Treasurer's Office
6. Fines, penalties, other misc. revenue based on recent activity

Setting the rate: Revenue assumptions (2 of 3)



From OEA September 2025 forecast using June 2025 data

Setting the rate: Revenue assumptions (3 of 3)

Revenue Assumptions with Actual Revenue as of June 2025

| Biennium FY | 2023-2025 | | 2025-2027 | | 2027-2029 | | 2029-2031 | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| Revenue: | | | | | | | | |
| Assessments | 67,861,600 | 62,271,886 | 61,346,974 | 57,233,294 | 57,563,439 | 57,888,222 | 58,567,509 | 59,825,179 |
| Investment Income | 1,576,017 | 2,696,318 | 3,317,050 | 2,841,355 | 2,613,207 | 2,500,904 | 2,357,796 | 2,233,529 |
| Fines and Penalties | 939,503 | 1,636,453 | 889,203 | 889,203 | 889,203 | 889,203 | 889,203 | 889,203 |
| Other Income | 648,383 | 907,281 | 477,941 | 477,941 | 477,941 | 477,941 | 477,941 | 477,941 |
| Total Revenue Excluding NCE | \$71,025,503 | \$67,511,938 | \$66,031,168 | \$61,441,794 | \$61,543,790 | \$61,756,270 | \$62,292,449 | \$63,425,852 |

Setting the rate: Expenditure assumptions (1 of 3)

1. Actual expenditure and transfer data from the quarterly financial statements through June
2. Updated forecasts of all WBF program expenditures
3. Cost-of-living-adjustment estimates for WCD and OOW staff administering WBF programs
4. Projected payments to the Oregon Institute of Occupational Health Sciences (OIOHS)

Setting the rate: Expenditure assumptions (2 of 3)

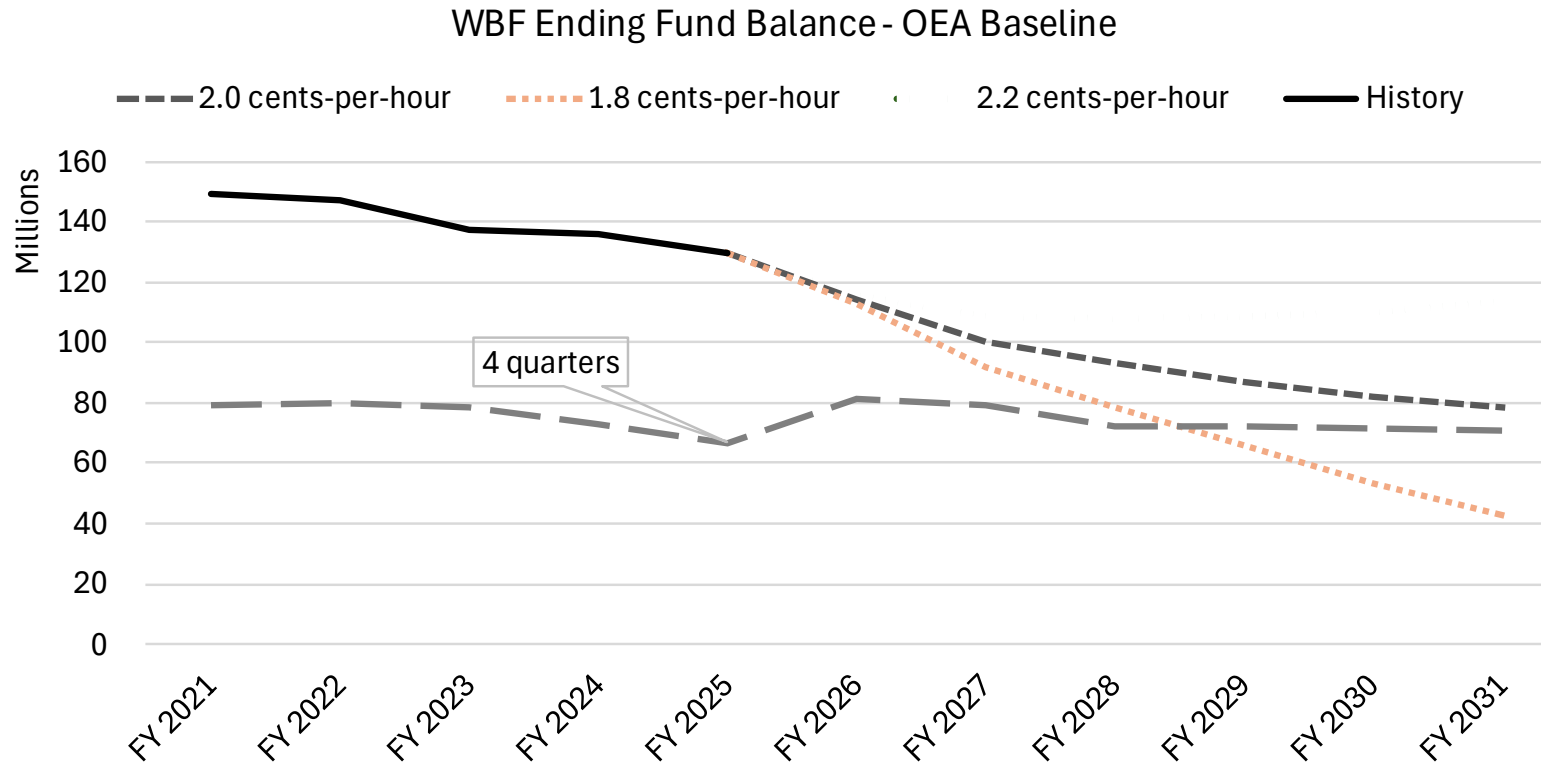
5. Payments to the Bureau of Labor and Industries (BOLI) for enforcement of anti-discrimination laws.
6. Updated estimates of the transfers from the Premium Assessment Operating Account (PAOA) for the NCE Program expenditures.
7. Estimates of the payments from the WBF for claims costs of the two self-insurer groups that have dissolved under the provisions of SB 1558, passed during the 2014 legislative session.

Setting the rate: Expenditure assumptions (3 of 3)

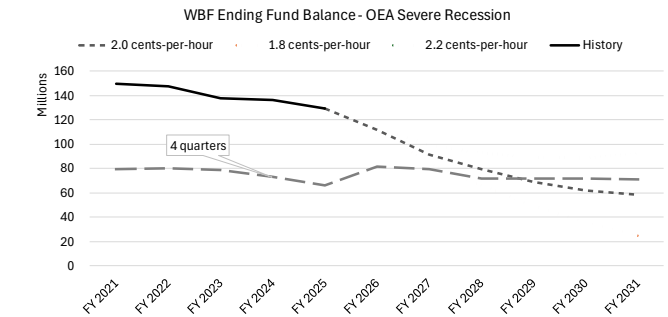
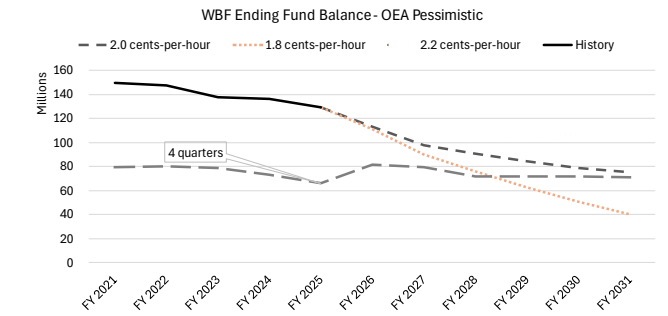
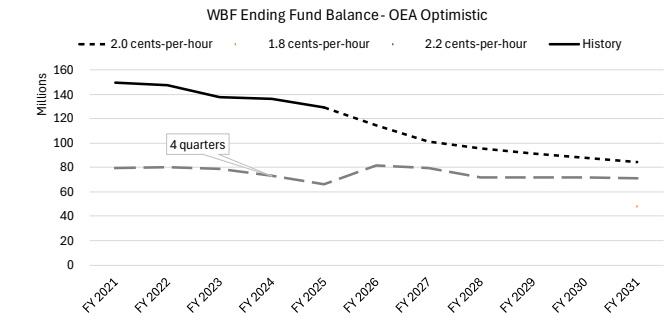
| Biennium FY | 2023-2025 | | | | 2025-2027 | | | | 2027-2029 | | | | 2029-2031 | | | |
|---|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|
| | FY 2024 | | FY 2025 | | FY 2026 | | FY 2027 | | FY 2028 | | FY 2029 | | FY 2030 | | FY 2031 | |
| | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent | Dollars | Percent |
| WBF Program Expenditures: | | | | | | | | | | | | | | | | |
| Workers with Disability Program | 169,067 | 0.2% | 67,007 | 0.1% | 124,436 | 0.2% | 106,708 | 0.1% | 89,877 | 0.1% | 73,876 | 0.1% | 58,646 | 0.1% | 44,132 | 0.1% |
| Reemp. Assistance Prog., exc. OHSU | 26,503,711 | 36.1% | 25,456,662 | 33.3% | 28,849,215 | 35.1% | 29,095,011 | 35.6% | 29,340,382 | 39.5% | 29,578,075 | 39.8% | 29,819,785 | 40.3% | 30,068,392 | 40.9% |
| Reopened Claims Program | 2,227,367 | 3.0% | 3,573,773 | 4.7% | 2,977,106 | 3.6% | 3,036,174 | 3.7% | 3,172,420 | 4.3% | 3,384,404 | 4.6% | 3,288,978 | 4.4% | 3,069,516 | 4.2% |
| Retroactive Program | 34,306,895 | 46.8% | 38,615,322 | 50.6% | 32,824,253 | 40.0% | 32,232,866 | 39.5% | 31,614,920 | 42.6% | 30,976,303 | 41.7% | 30,321,378 | 41.0% | 29,654,717 | 40.3% |
| SB 485 Multiple Wage Jobs | 1,424,181 | 1.9% | 1,672,803 | 2.2% | 1,278,977 | 1.6% | 1,278,977 | 1.6% | 1,278,977 | 1.7% | 1,278,977 | 1.7% | 1,278,977 | 1.7% | 1,278,977 | 1.7% |
| SB 1558 Claim Payments | 76,142 | 0.1% | 42,794 | 0.1% | 36,465 | 0.0% | 32,818 | 0.0% | 29,537 | 0.0% | 26,583 | 0.0% | 23,925 | 0.0% | 21,532 | 0.0% |
| WBF Program Expenditure Total | \$64,707,363 | 88.2% | \$69,428,360 | 90.9% | \$66,090,452 | 80.5% | \$65,782,555 | 80.6% | \$65,526,113 | 88.2% | \$65,318,218 | 87.9% | \$64,791,688 | 87.6% | \$64,137,266 | 87.2% |
| WBF Administrative Expenditures: | | | | | | | | | | | | | | | | |
| DCBS Administrative Expenditures | 6,214,729 | 8.5% | 4,668,197 | 6.1% | 6,136,855 | 7.5% | 5,925,169 | 7.3% | 6,196,914 | 8.3% | 6,406,608 | 8.6% | 6,598,806 | 8.9% | 6,796,770 | 9.2% |
| OHSU Transfer Out | 1,965,013 | 2.7% | 1,940,961 | 2.5% | 2,003,041 | 2.4% | 2,022,162 | 2.5% | 2,039,308 | 2.7% | 2,052,784 | 2.8% | 2,066,230 | 2.8% | 2,078,755 | 2.8% |
| BOLI Transfer Out | 460,000 | 0.6% | 316,000 | 0.4% | 7,885,000 | 9.6% | 7,885,000 | 9.7% | 535,000 | 0.7% | 535,000 | 0.7% | 535,000 | 0.7% | 535,000 | 0.7% |
| Miscellaneous Expenditures | 36,206 | 0.0% | 9,318 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| WBF Administrative Expenditure Total | \$8,675,948 | 11.8% | \$6,934,476 | 9.1% | \$16,024,896 | 19.5% | \$15,832,332 | 19.4% | \$8,771,222 | 11.8% | \$8,994,392 | 12.1% | \$9,200,036 | 12.4% | \$9,410,525 | 12.8% |
| Total WBF Expenditures Excluding NCE | 73,383,311 | | 76,362,836 | | 82,115,348 | | 81,614,886 | | 74,297,334 | | 74,312,610 | | 73,991,725 | | 73,547,791 | |

Data through June 2025

Setting the WBF rate



Forecast published September 2025 using June 2025 data



Role of Management-Labor Advisory Committee

- Provides effective forum for business, labor to meet, explore and resolve issues in workers' comp system
- Advises DCBS director on proposed changes in operation of programs funded by WBF
- Reviews plans DCBS develops to increase fund balance
- Reports to legislature on findings, recommendations of operation of programs funded by WBF



Questions?