

Rule Summary and Fiscal Analysis (Part A)**Bureau Of Workers' Compensation**

Agency Name

Division

Tom Sico

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4123-17-15

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

Professional employer organization (PEO) agreements.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **No**

2. Are you proposing this rule as a result of recent legislation? **Yes**

Bill Number: **HB183**General Assembly: **125**Sponsor: **Daniels**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **4121.121, 4121.30, 4123.05**

5. Statute(s) the rule, as filed, amplifies or implements: **4123.01, 4123.29, 4123.32, 4123.34**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

To comply with the five year rule review requirements of Section 119.032 of the Revised Code and to implement provisions of H.B. 183 of the 125th General Assembly.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

This rule replaces prior rule 4123-17-15 to implement HB 183 pertaining to professional employer organizations and workers' compensation coverage. The rule provides that a PEO doing business in Ohio will be required to register annually with BWC; that a PEO shall provide security in the form of a bond or letter of credit assignable to BWC, or in the alternative make monthly prospective payments of premiums and assessments to BWC or submit proof certification by a nationally recognized organization that certifies professional employer organizations; that a PEO shall report both PEO and client employer claim information to BWC for rate calculations; that a PEO shall notify client employers of a BWC refund or rebate; that all PEO client employers shall be amenable to Ohio jurisdictional requirements; and that BWC may deny or revoke the registration of any PEO that does not comply with Chapter 4125. of the Revised Code or this rule.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

Not Applicable.

12. 119.032 Rule Review Date:

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase / decrease** either **revenues / expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will have no impact on revenues or expenditures.

\$0.00

None.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

n/a

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

A Professional Employer Organization (PEO) may be required to post a bond with the Bureau of Workers' Compensation (BWC) as part of the statutory and rule requirements for registration as a PEO with BWC. The cost of the security will vary depending upon the premium obligation of the PEO.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**

