

# Workers' Compensation: Good News for WA Employers



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## No Tax Increase for 2013

L&I proposed no increase in the Workers' Compensation tax rates for 2013. This news is surprising as L&I had set the table for significant tax rate increases for 2013 and future years to fix the underfunding of their contingency reserve. L&I explained the recommendation not to increase tax rates for 2013 is due to recent drop in the number of claims, plus the impact of reforms passed in 2011. See the presentation from September 17 here...

<http://www.lni.wa.gov/News/2012/pr120917a.asp>

## New 10 Year Plan

L&I also proposed a 10 year plan for re-building the contingency reserve, which reaches a reserve level at 14% of liabilities. This plan is a framework for rate-setting each year. With projected rates as high as 5.5% per year, the plan is more realistic in comparison to the crisis scenarios which were made public in the summer of 2012. This new framework is not binding.

L&I provides reassurance to business by offering a reasonable 10 year plan to re-build the contingency reserve.

When you seek a balanced view for planning, rely on Parker, Smith & Feek for a straight story.