

<b>State of Alaska</b> Mike Dunleavy, Governor	<b>Alaska Workers' Compensation Division</b> PO Box 115512 Juneau, Alaska 99811-5512		
<b>Department of Labor and Workforce Development</b>	<b>BULLETIN</b>	<b>Number</b> <b>24-08</b>	<b>Date</b> December 31, 2024
<b>Catherine Muñoz</b> <b>Commissioner</b>	<b>SUBJECT</b>  <b>REFERENCE</b>	Filing Requirements for the 2024 Annual Report; Paying SIF Contributions; Paying Workers' Safety and Compensation Fees AS 23.30.155 & 8 AAC 45.136; AS 23.30.040; AS 23.05.067	

The following are filing requirements for annual reports under AS 23.30.155 & 8 AAC 45.136; paying Second Injury Fund (SIF) contributions under AS 23.30.040; and paying Workers' Safety and Compensation Administration Account (WSCAA) fees under AS 23.05.067 for self-insured employers.

This bulletin supersedes and replaces all prior bulletins regarding filing of annual reports, and SIF contributions and WSCAA fee assessments.

These requirements are effective for the **calendar year 2024** annual report, which is due on or before March 1, 2025. Reporting starts January 1, 2025. **Reports received after March 1, 2025, are late and subject to a daily penalty until filed.** The Department of Labor & Workforce Development requires each insurer, self-insurer, and uninsured employer to submit an Annual report via Electronic Data Interchange (EDI) on all claims with any payments between January 1, 2024 and December 31, 2024. Annual reports are filed through our vendor Verisk. The report must include all financial activity for the entire claim.

Please review the filing requirements carefully to ensure that your filing complies, and to avoid penalties and interest for incorrect filings.

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Address any questions concerning the annual report filing or the SIF and WSCAA fees to the following Division of Workers' Compensation Department of Labor and Workforce Development point of Contact:

Contact	Phone/Email	Mailing Address
Ted Burkhart	(907) 465-6055 Ted.Burkhart@alaska.gov	PO Box 115512 Juneau, AK 99811-5512

## **Annual Reports of Insurance Distributions**

Alaska Statute 23.30.155(m) requires that each insurer/carrier or adjuster file a report annually with the Alaska Workers' Compensation Board on claims with any compensation and expense payment activity for the previous year. All annual reports must be submitted through EDI by use of the "AN" report transaction. It is the insurer's responsibility to ensure reporting data to the agency and the correct payment of SIF contributions and WSCAA assessments. It is the insurer/carrier's responsibility to ensure accurate trading profiles for its EDI sender and adjuster. It is the responsibility of the insurer/carrier and its adjuster to ensure accurate payment information is provided to the jurisdiction. **The annual report is due starting January 1, 2025 and late after March 1, 2025. Each insurer/carrier or adjuster must also submit the following assessments and fees by the annual report deadline, no later than March 1, 2025.**

## **Assessments and Fees**

Together with the annual report, each insurer/carrier or the insurer's claims adjuster (not both), uninsured employer, or self-insured employer must submit payment of their Second Injury Fund (SIF) contribution and their Workers' Safety and Compensation Administration Account (WSCAA) fees.

### **Second Injury Fund Contribution**

1. The Second Injury Fund (SIF) contribution is due at the time of the annual report filing required by AS 23.30.155(m), **starting January 1, 2025 and late after March 1, 2025** (AS 23.30.040).
2. SIF contributions assess against each claim that results in temporary total disability, temporary partial disability, permanent partial disability, or permanent total disability. The contribution is based on the year of the injury and the SIF contribution rate in effect at that time (**see Table 1**). The contribution rate is posted via bulletin to <https://labor.alaska.gov/wc/bulletins.htm>.
3. SIF contributions are due and payable for the report year on ALL claims, irrespective of whether SIF reimbursement is currently being received on the claim or whether an overpayment of benefits was made on the claim or benefits were paid by the employer. A SIF payment is not due and payable for a claim where the SIF assessed amount due is less than \$20.00.

### **Workers' Safety and Compensation Administration Account Fee (WSCAA)**

Insurance companies, self-insured employers, and uninsured employers are required to pay a service fee for state administration of workers' compensation (AS 23.05.067).

1. **Insurance companies.** Under AS 21.09.210, the service fee is included in the annual premium tax assessment. The Division of Workers' Compensation has no additional filing requirements for WSCAA. The Alaska Division of Insurance will process the fee transfer.
2. **Self-Insured Employers.** Under AS 23.05.067, a service fee payment is required with annual report due starting January 1, 2025 and late after March 1, 2025. The amount of the service fee is a percentage of the total payments reported on the annual report, excluding the amount of the SIF contribution. The contribution rate for calendar year 2024, due by March 1, 2025, is 2.90% (see Table 2).
3. **Uninsured Employers** must submit a service fee with their annual report due starting January 1, 2025, late after March 1, 2025. The amount of the service fee is a percentage of the total payments reported on the annual report, excluding the amount of the SIF contribution. The contribution rate for calendar year 2024, due by March 1, 2025, is 2.90% (see Table 2).

## **Annual Penalty Assessment Reports**

Upon completion of the annual report data review, the Workers' Compensation Division will return a preliminary annual report penalty assessment. **The insurer or adjuster, uninsured employer or self-insured employer has 30 days to submit corrections to the original annual report filing. After 30 days, all penalties are final.**

**Final penalty assessments may be appealed by petition to the Alaska Workers' Compensation Board.**

### ***The Penalty report will include the following:***

- An assessment of unpaid SIF contributions, payable to SIF.
- An assessment of unpaid Workers' Safety and Compensation fees, payable to WSCAA. Trading Partner may be subject to a civil penalty of \$100 the first day plus \$10 a day for each additional day the payment is late.
- Penalties for late compensation report filing, pursuant to AS 23.30.155(c), payable to WSCAA. Trading Partner may be subject to a civil penalty of \$100 the first day plus \$10 for each additional day after notification for a total penalty of up to \$1,000. Penalties that are not waived are subject to an additional 25% and bear interest.
- Waiver of AS 23.30.155(c) penalties pursuant to AS 23.30.155(m). Waiver of penalties is based on total late payments for reporting year / total all payments for reporting year (p. 82, Legislative Audit Report, No. 07-4601-00, October 31, 1999).
- Civil penalties for late annual report filing pursuant to AS 23.30.155(m) payable to WSCAA. Trading Partner maybe subject to \$1,000 civil penalty in addition to the late fee application.
- Error listing and civil penalty for incomplete and inaccurate report, pursuant to AS 23.30.155(m) and 8 AAC 45.136 payable to WSCAA. Trading Partner maybe subject to \$1,000 civil penalty in addition to the late fee application.
- Late paid penalty assessments are subject to an additional 25% of the penalties due under AS 23.30.155(m).

## ASSESSMENT RATES FOR COMPENSATION REPORTING

**Table 1 - Second Injury Fund Rate**

Year	Rate	Calculated On
1959-1966	2%	PPD
1966-1970	5%	PPD
1971-1981	8%	PPD
1982-1985	6%	TTD, TPD, PPI, & PTD
1986	5%	TTD, TPD, PPI, & PTD
1987-1989	0%	TTD, TPD, PPI, & PTD
1990	3%	TTD, TPD, PPI, & PTD
1991	5%	TTD, TPD, PPI, & PTD
1992-1994	6%	TTD, TPD, PPI, & PTD
1995	5%	TTD, TPD, PPI, & PTD
1996	6%	TTD, TPD, PPI, & PTD
1997-1998	5%	TTD, TPD, PPI, & PTD
1999	6%	TTD, TPD, PPI, & PTD
2000	5%	TTD, TPD, PPI, & PTD
2001-2008	6%	TTD, TPD, PPI, & PTD
2009	5%	TTD, TPD, PPI, & PTD
2010	4%	TTD, TPD, PPI, & PTD
2011	5%	TTD, TPD, PPI, & PTD
2012-2018	6%	TTD, TPD, PPI, & PTD
2019-2021	5%	TTD, TPD, PPI, & PTD
2022	4%	TTD, TPD, PPI, & PTD
2023-2024	2%	TTD, TPD, PPI, & PTD

**Table 2 – WSCAA Rate**

	2001	2002	2003	2004 – 2017	2018
Insurance Companies**	2.31%	2.17%	2.03%	1.82%	2.5%
Self-Insurers	0.90%	1.70%	2.40%	2.90%	2.90%
Uninsured Employers	3.60%	3.40%	3.20%	2.90%	2.90%

\*\* Insurance Companies: service fee is included in the annual premium tax assessment under AS 21.09.210.

## **PAYMENTS**

Second Injury Fund and Workers Safety and Compensation Administration Account assessments are **due by March 1, 2025.**

Send payments to:

<b>Ted Burkhart</b>
<b>Labor and Workforce Development Workers' Compensation Division - Second Injury Fund</b>
Mailing Address PO Box 115512 Juneau, AK 99811-5512
Street Address 1111 W 8 <sup>th</sup> St., Rm. 305, Juneau, AK 99801
Contact Information Phone: (907) 465-6055 Email: <a href="mailto:ted.burkhart@alaska.gov">ted.burkhart@alaska.gov</a>

Submit all checks payable to the Second Injury Fund and/or WSCAA between January 1, 2025 and March 1, 2025. Interest and penalties will be applied to filings and/or payments received after March 1, 2025. To ensure proper recording of SIF and WSCAA payment on a claim:

1. **Each unique insurer will submit a single aggregate check for SIF and/or WSCAA, rather than a separate check for each claim.** Please do not combine SIF and WSCAA payments into one check.
2. **Multiple Claim Payments:** A separate excel spreadsheet must accompany each payment submitted and due between January 1, 2025 and March 1, 2025. The spreadsheet format layout will be Jurisdiction Claim Number (JCN or AWCB#), SIF amount due, and/or WSCAA amount due (in this order, no dollar signs) with an excel extension of .xlsx. The spreadsheet must be emailed separately to Ted Burkhart. The agency does not expect values with a negative number or duplicate paper copies.

JCN/AWCB Number	SIF Amount Paid	WSCAA Amount Paid
2022XXXXXXX	30.00	400.00

3. **Single Claim Payments:** If there is only one claim to report, ensure the check documentation displays – SIF Contribution Year, JCN/AWCB#, SIF amount due, and/or WSCAA amount due.
4. **Civil Penalty Payments:** Please submit preliminary or final audit spreadsheet with civil penalty payment and make payable to the WSCAA.

## **ANNUAL REPORT FILING REQUIREMENTS**

Each Insurer must submit the annual report on each claim that incurred workers' compensation claims expenses in the calendar year of 2024. The report may be submitted by either the insurer or the insurer's claims adjuster, **but not both**.

### **Electronic Data Interchange (EDI) Trading Partner**

The SROI AN (Annual Report) is due annually beginning January 1, 2025, and late after March 1, 2025, for all claims having compensation or any expense payments in the previous calendar year. The AN report must meet the minimum requirements as outlined in the Alaska Department of Labor Workers' Compensation Division Elements Requirements Tables found at [www.adoledi.info](http://www.adoledi.info).

ADOL expects that only one SROI AN for each JCN/AWCB number be reported starting January 1, 2025 and late after March 1, 2025. To be considered a timely filed report, the SROI AN report (or latest submission) must be accepted (acceptance is defined as a TA or TE Acknowledgement returned to the trading partner from the jurisdiction) by March 1, 2025. The AN report for each JCN/AWCB number is considered received only after its acceptance through EDI submission. Rejected reports will require corrections and resubmissions from the trading partner. Any AN report that fails acceptance with a TA or TE and receives a return TR acknowledgement is considered unreported, including flat file submissions.

Once the AN report has been accepted, any required corrections can be submitted through a new SROI AN report until March 1, 2025. After March 1st, the trading partner must contact the Division, state issue, and send email to [ted.burkhart@alaska.gov](mailto:ted.burkhart@alaska.gov).

Trading partners may submit missing "AN" reports through EDI if it is the first filed "AN" on the claim. If a trading partner needs to file a subsequent AN after March 1, 2025, the trading partner will need to contact the agency.

Please refer to ADOL's Element Requirement Table for data element requirements on the SROI AN. The MTC AN is expected for all claims where any compensation or expense payments occurred during the previous calendar year (January 1, 2024 through December 31, 2024), even if reported by a SROI AP, IP, PY, RB . . . etc. **The SROI FN, PY or SX transactions are not accepted as substitute filings for the AN report.** Annual reports must reflect aggregate values. When reporting the AN report, report all benefits and claim expenses paid by the employer, insurer, or adjuster from the Date of Injury to December 31, 2024.

## **Frequently Asked Questions (FAQ's)**

### **Who is a trading partner?**

Answer: A trading partner is an insurer, adjuster, employer, self-insured employer, or vendor that is approved and certified by the Alaska Department of Labor, Workers' Compensation Division (ADOL) and its EDI vendor, Verisk as a data sender.

### **I am having trouble with rejected transmissions through EDI and other technical issues, whom do I contact for assistance?**

Answer: We have contracted with Verisk to provide technical assistance with claims reporting issues through EDI. Send all questions related to general EDI support issues to [adoledi@verisk.com](mailto:adoledi@verisk.com).

### **Are benefit totals just for calendar year or are they cumulative?**

Answer: To be compliant with IAIABC standards, "sweep" benefit segment rules apply. Report all Indemnity benefit payments (cumulative values), all other benefit types (expenses) paid, and any currently active Adjustment, Credit or Redistributions on the claim from the Date of Injury through December 31, 2024.

### **Who do I contact to confirm match data on reports of injuries with the Division?**

Answer: If you need assistance with ensuring your files have the correct match data, an extract of current match data is available upon request. Please submit a Request for Release of Information Form 07-6121, supply a list of AWCB numbers required and email your request to Michael Christenson, [michael.christenson@alaska.gov](mailto:michael.christenson@alaska.gov).

### **Claim preparation prior to claim acquisition, submission, or closure:**

Existing trading partner should ensure proper SROI reports are filed:

- Updates to legacy claims that have on going benefits.
- Appropriate suspensions and FNs are submitted. Alaska expects an SX to end ongoing benefits only. The FN is submitted when no further payments of any kind are anticipated.

### **Will ADOL accept a SROI AN and other SROI reports on legacy claims (JCN<201320000)?**

Answer: Annual Reports for all claims must be submitted through EDI. ADOL expects the SROI AN report submitted through EDI by registered EDI filing Trading Partners. A legacy claim must be prepared to accept the annual report and other SROI reporting through EDI. Effective May 17, 2021, the State of Alaska is utilizing Claims 3.1 reporting standards adopted by the International Association of Industrial Accident Boards Commissions (IAIABC). If you need assistance with determining if a claim is ready for an EDI submission, please contact [adoledi@verisk.com](mailto:adoledi@verisk.com) or Michael Christenson, [michael.christenson@alaska.gov](mailto:michael.christenson@alaska.gov).

### **I may have trouble submitting legacy AN through EDI prior to March 1st deadline?**

Answer: Trading Partner must contact the agency as soon as possible.

### **What is required by the Trading Partners concerning reporting previously paid benefits on acquired claims and reopened claims?**

Answer: previously paid benefits are reported on the SROI AU or SROI AQ only under OBT codes 430 (Indemnity) and 440 (Medical).

**First three days of disability.** Under AS 23.30.155, if an injured worker has been disabled for more than 28 days, the insurer is required to pay compensation benefits for the first three days of disability along with qualifying assessments.

**Reporting employer paid benefits.** An employer/insurer must comply with AS 23.30.155, when the employer is no longer paying wages in lieu of workers' compensation benefits.

### **Reporting settlements.**

When a settlement agreement is filed with the Board, Alaska Statute 23.30.012 and Regulation 8 AAC 45.160 require that the settlement agreement clearly details the settlement allocation, i.e., how much of the settlement is for indemnity benefits, attorney fees, medical costs, etc. After the settlement agreement is approved, and benefits are paid, the insurer must file a compensation report with the Division detailing the benefits paid in compliance with the terms of the settlement agreement. Alaska Statute 23.30.155(m) requires insurers to submit an annual report listing the total of all compensation paid by type after the calendar year end, on or before March 1 of each year,

### **Reporting interest and penalty payments.**

- When reporting interest, trading partner should select BTC 321 for employee paid interest only or BTC 320 for total interest (includes BTC 321), however not both.
- When reporting penalty payments, trading partner should select BTC 311 for employee paid penalty only or BTC 310 for total penalties (includes BTC 311), however not both.

### **Reporting benefit compensation overpayments.**

ADOL expects accurate reporting of overpaid benefits made during the calendar year regardless of whether the trading partner is claiming an offset. Benefit payments must reflect total compensation paid to the injured worker.

### **How do I report lump sum payments?**

Answer: All lump sum payments are reported with the PY report in a timely manner along with payment date information. Additionally lump sum payments are required on the AN. A suspension report is not required to end a lump sum payment.

**The SROI PY transactions are not accepted as substitute filings for the AN report.**

#### **Fatality lump sum payments are reported as follows:**

- BTC - 010, 210 Death benefits under AS 23.30.215.
- BTC - 510 Death benefits to Widow/Widower lump sum payments under AS 23.30.215(a)(3) and (a)(5).
- BTC - CD - Death benefits, compensable claim with no beneficiaries, SIF contribution under AS 23.30.040(c).
- OBT - 300 Funeral expenses under AS 23.30.215(a)(1).

#### **Permanent Partial Impairment changes:**

- PPI lump sum payments have transitioned from BTC 530 to BTC 540 under EDI Claims R3.1.
- Effective 1/1/2023, base rate increased from \$177,000 to \$273,000.

#### **Reemployment lump sum reporting:**

- BTC - 541 – ADOL records lump sum payment for **job dislocation benefit** under AS 23.30.041(g)(2).

### **What is required by the Trading Partners concerning reporting of the SIF contribution or WSCAA assessment due?**

Answer: Please reference the payments section on page 5. ADOL has a separate business process for reporting SIF and WSCAA payments made to the agency.

### **How does the Division calculate the SIF contribution or WSCAA due?**

Answer: ADOL projects SIF contribution and WSCAA fee due on all open/closed claims with reported or expected compensation payments for the reporting year. Reported compensation without a subsequent report to change or terminate benefits are subject to this estimated payment calculation until ADOL receives completed compensation reports. A late filed compensation report may be subject to a penalty.