

Workers' compensation report of benefits paid – background, general filing instructions

Minnesota Statutes § 176.129 requires every employer to pay assessments to the Department of Labor and Industry, based upon the amount of workers' compensation paid to the employees and their dependents. These assessments are credited to the Special Compensation Fund (SCF) and are due in addition to any compensation payments made.

The SCF assessment funds Minnesota's workers' compensation programs. Most of the assessment dollars go to funding the supplementary and second-injury benefit programs. The assessment also pays the operating expenses of the Department of Labor and Industry, the Department of Commerce, the Office of Administrative Hearings and the Workers' Compensation Court of Appeals.

As required under Minnesota Statutes § 176.129, you are hereby notified of the requirement to file the workers' compensation report of benefits paid. On or before April 1 of each year, all self-insured employers and insurers shall report paid indemnity losses in the form and manner prescribed by the commissioner. The amounts reported shall be for the preceding calendar-year. If the due date falls on a weekend, then the report and payment are due the next working day.

Minnesota Statutes § 176.129 also provides a penalty of up to 15 percent of the amount of the assessment due, but not less than \$1,000, in the event payment of the assessment or filing of the report are not made in the manner prescribed by the commissioner.

On June 1 of each year, the commissioner shall determine the total amount needed to pay all estimated liabilities, including administrative expenses, of the SCF for the following fiscal-year, which begins July 1. On or before June 30 of each year, the commissioner shall provide notification to each self-insured employer and insurer of amounts due. At least one-half of the payment shall be made to the commissioner for deposit into the SCF on or before Aug. 1 of the same calendar-year. The remaining balance is due Feb. 1 of the following calendar-year.

Note: Penalties will be assessed for all payments/reports that are not postmarked by the due date unless, prior to that date, a written request for extension is received informing the department that the assessment form or payment will not be made by the due date because of reasons beyond the control of the employer/insurer. The request must specify those reasons.

The amount of penalty that may be assessed is based upon the number of days the report and payment (whichever is later) is late, as set forth under Minnesota Rules Part 5220.2840.

General instructions

1. This assessment is applied to all workers' compensation payments, exclusive of medical costs, paid under Minnesota Statutes §§ 176.101 or 176.111 for an injury or death.

Recoveries from the SCF or reinsurance for benefits paid under Minnesota Statutes §§ 176.101 or 176.111 are not deductible from the amounts reported on lines one or two.

2. Any insurance carrier that did not pay any benefits on the basis that the employer paid them directly shall nevertheless be responsible for reporting and paying the assessment to the commissioner on any sums paid by any such employer in lieu of compensation.
3. Corrections of prior period reports must be accompanied by the amended filing. Call John Kufus, at (651) 284-5179, for further instructions.
4. **This report must be filed even if no benefits were paid during the reporting period. Minnesota Rules Part 5220.2840 provides a \$200 penalty for the failure to timely report that no assessment is due.**
5. Refer to the attached guidelines for further assistance when completing this report.
6. Call John Kufus, at (651) 284-5179, if you have any questions about the preparation of this report.
7. The assessment form is filed online at www.dli.mn.gov/WC/ScfAssessment.asp.