

Worker's Compensation
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State of Wisconsin
Department of Workforce Development

Worker's Compensation Insurance Letter

INS #	459
Date	March 29, 2006
Program	Claims Handling
Type	New Procedure
Replaces	None

To: Claims Handling Offices for Insurance Carriers and Self Insured Employers
From: Frances Huntley-Cooper, Division Administrator
Subject: Replacement of Forfeitures with Surcharges

Purpose: To inform claim handling offices that effective 4/01/2006, the Division will replace forfeitures with work injury supplemental benefit surcharges. Failure to pay surcharges in a timely manner will result in additional interest charges.

Background: The recently enacted Senate Bill 474 included a change under s.102.35 (1) which replaced forfeitures with work injury supplemental benefit surcharges. The monies collected from surcharges will be deposited into the Work Injury Supplemental Benefit Fund under s.102.65. The existing procedures used for issuing and waiving forfeitures will be used for surcharges. The invoice-billing of surcharges, similar to that for forfeitures, will be done once per year, usually in March, for the previous calendar year. For forfeitures issued in 2005 and in 2006 prior to 4/01/2006, there will be only one invoice which will be mailed in June, 2006. Another change enacted under s 102.35 (1) imposes an interest charge of 1% per month for any unpaid balance of surcharges not paid within 90 days of billing. Forfeiture letters will be replaced by surcharge letters beginning the effective date above.

Action Requested: Ensure that claims handling office personnel and those responsible for paying invoices are familiar with these changes.

Inquiries: For concerns or questions, contact Diane Rodenberg at (608) 267-6890.

Enclosures: None