



To: RAS Valued Agency Partners
From: RAS Policy Services Team
RE: NCCI Manual Rules for Paid Furloughed Employees
Date: May 29, 2020

The NCCI recently announced revisions to the NCCI Manual Rules related to the COVID-19 Pandemic. The revisions were approved by the individual state regulatory authorities effective March 1, 2020 with an expiration date of December 31, 2020.

Rule 2-F-3 excludes employer payments to paid furloughed employees from premium and experience rating calculations. "Paid furloughed employees" means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer. If an employee is requested to perform any duties for an employer, the employee is not deemed a paid furloughed for any period of time they are performing duties for the employer.

"Payments to paid furloughed employees" means payments made by an employer to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 pandemic which impact an employer's staffing or business operations. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation that are used by an employer specifically to retain or hire working employees.

Payments to paid furloughed employees are excluded from the premium and experience rating calculations only if the employer keeps separate, accurate, and verifiable records. If separate, accurate, and verifiable records are not maintained, the payroll is assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due the COVID-19 pandemic.

Furloughed payroll will be reported under Statistical Code 0012 with a zero rate and zero premium. No claim can be reported to Code 0012.