



Crane Agency Workers' Compensation FAQ

NCCI COVID-19 Classification & Payroll Changes for Furloughed and Reassigned Workers

The National Council on Compensation Insurance (NCCI) has received numerous questions in the last few weeks regarding COVID-19 and the impact it may have on the workers' compensation industry. This FAQ speaks specifically to recent changes related to furloughed and reassigned workers.

1. What can a business owner expect when workers are furloughed but still being paid?

The NCCI has proposed a new classification code – 0012. This code will apply to payroll for workers who have been laid off (furloughed) from their jobs but are still being paid. This is a change from the existing NCCI rule concerning "idle time," which requires payroll to be included in the employee's usual classification. This new 0012 classification would not be included in the premium calculation (effectively a \$0.00 rate), but the employer would be required to track this payroll in their accounting records as a separate item. The percentage allocation of payroll would not be allowed. Consult your Crane Agency Broker if you are paying employees who are not working to determine if your current policy can be adjusted now, or if the new classification will be applied during the audit process at the end of the policy term.

2. My business has limited operations due to COVID-19. As a result, employee job assignments and duties have been changed. Does this affect how my payroll is classified on my current policy?

The answer to this question is, "it depends" on the specific circumstances. The first thing to remember is that it is the overall nature of the business's operations that are classified, not the activities of individual employees (unless they are in one of the standard exceptions such as clerical, outside sales or drivers, etc.)

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Therefore, it may be that the new duties are still within the scope of the original policy's classifications.

If the business operations have changed substantially, then a new classification may apply. For example, if your business is making beer, but you are now making a hand sanitizer, that may require a new classification. The new classification would be effective on the date the change in operations was made. Your Crane broker can assist in determining if a new classification is needed.

Remember that it is the employer's obligation to maintain payroll records in a manner that accurately tracks payroll for the different classifications.

3. Many of our employees are now working remotely from their homes. Does this result in a change of classification?

As with many aspects of the unique situation caused by COVID-19, the answer again is, "it depends." Clerical employees who are now performing their duties from home might be switched from class code 8810 "Clerical" to class code 8871 "Clerical Telecommuter." Other employees, such as drivers or outside salespeople, would remain in their existing classification, as would construction workers or repair service employees.

Note that if an employee's residence is in a different state from their usual work location, the employer will want to add that state to section 3.A. of their workers' compensation declarations page if it is not already shown in the policy declarations.

As with any rapidly changing topic, please visit the [NCCI website](#) for current guidance and the most recent updates related to COVID-19. If you should have questions about your specific policy, please contact your Crane Agency Broker Unit to discuss the options available for your business.

Other Helpful Resources:

- [COVID-19 and Workers' Compensation - What You Need to Know](#)
- [NCCI COVID-19 Resource Center](#)

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