

August 15, 2001

WORKFORCE INVESTMENT ACT (WIA)
STATE ADMINISTRATIVE ENTITY (SAE)
SAE INFORMATION NOTICE NO. 57-01
(SIN NO. 57-01)

SUBJECT: WORKERS' COMPENSATION FEES FOR WIA PARTICIPANTS

1. **PURPOSE:** To provide guidance on the applicability of the Workers' Compensation Assessment Fees on WIA participants enrolled in various employment training programs.
2. **BACKGROUND:** The Workers' Compensation Law, Chapter 52, of the Laws of New Mexico, effective January 1, 1991 and subsequent amendments, and 11 NMAC 4.1, "Workers' Compensation General Provisions" require an assessment fee for Workers' Compensation from employers of selected workers.
3. **ACTION:** The Workers' Compensation assessment fee will apply only to those WIA participants who meet the provisions of the Workers' Compensation Law who are enrolled in On-the-Job Training (OJT), paid Work Experience (WE), or any other activities subject to the Workers' Compensation Law.

DISTRIBUTION:

NM State and Local WDB Chairpersons
SAE NMDOL EO Officer
NMWDAs/LWDBs Subrecipients

SAE NMDOL Legal Counsel
NMWDAs/LWDBs Administrative Staff
USDOL Federal Representative

a. Coverage Requirements:

Workers' compensation insurance, when required, shall be provided by the employer as required by the WIA and applicable State laws. Alternative insurance in lieu of Workers' Compensation is not allowed under New Mexico State law. Workers' compensation coverage is an insurance policy purchased by an employer, usually through an insurance agent. The insurance policy is purchased privately. It is not provided by the state. The policy provides benefits and protections to both employer and worker if a worker is injured at work. Covered employers are required to pay the workers' compensation personnel assessment fee. The assessment fee referred to in this SIN is an administrative payment (tax) to the state, paid to the Taxation & Revenue Department, and does not provide insurance coverage.

The Workers' Compensation Law requires that all employers of three or more employees have a workers' compensation insurance policy. There is a special provision for employers in the construction trades, which requires them to have workers' compensation insurance coverage, regardless of the number of employees. Non-construction employers who employ only one or two workers may elect to obtain coverage. All employers who are covered by the New Mexico Workers' Compensation Act must pay the workers' compensation personnel assessment fee.

b. Assessment Fees:

The workers' compensation personnel assessment fee is \$4 per employee per calendar quarter, paid by the employer. The employer collects \$2 from each employee and matches that with \$2 from the employer for a total of \$4 per employee. Employers of three or more employees, who are required to have coverage, must be registered for the fee and must pay the fee each quarter based on the number of employees employed on the last working day of that quarter. Employers must continue to pay the fee for covered employees even if the number of employees drops below three. All employers in the construction trades must be registered and pay the fee. Further information and additional rules and procedures for employer coverage may be accessed at the following:

Workers' Compensation Administration
P.O. Box 27198
Albuquerque NM 87125-7198
(505) 841-6000
<http://www.state.nm.us/wca/>

c. Compliance:

It is the responsibility of all service providers to assure that employers of WIA participants are aware of the required assessment fee. This assurance should be documented in the participant file.

4. **EFFECTIVE DATE**: This Notice is effective immediately and shall remain in effect until rescinded.
5. **RESCISSIONS**: None.
6. **CONTACT ENTITY**: Inquiries regarding this Notice should be directed to the Job Training Division in Santa Fe at (505) 827-6827.

CLINTON D. HARDEN, JR.
Secretary